Competitiveness and well-being through responsible transport

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Programmes and strategies 4/2012
In foreign trade transport, shipping plays a predominant role. The availability of an adequate service level on the main transport connections is essential for the functioning of the entire transport system and for Finland’s competitiveness. Safety, smooth running and reliability of transport and seamless operation throughout the entire travel and logistics chain are vital service level factors, both in goods transport and in passenger services.

Transport is also a service industry, whose task is to move people and goods, thus creating added value for people’s lives, for business and for the entire national economy. The role of transport will be increasingly important in a global world where production is specialising, interdependency between the continents is increasing and thus the needs for communication, networking and transport are growing. Transport accounts for over 7 per cent of Finland’s GNP.

More than 5 per cent of the employed work in the transport sector. There are 23,000 transport companies operating in Finland, and they employ 130,000 people in total. Transport also creates jobs indirectly, for example in the civil engineering sector and the technology industry. In the civil engineering sector, the building and maintenance of the state-funded transport infrastructure provides a significant number of jobs. An investment of one million Euros provides work for an average of 17 people for a year. Building the transport infrastructure is a domestic market activity: of every euro spent, 0.75 cents remain in Finland. Transport investments have been successfully used as an instrument of economic recovery, especially during the previous recession.

The transport system is the nation’s arterial system. Above all, the transport infrastructure and services provide leverage for the key activities of society – study, housing, work and production – and are the driving force behind economic growth. Some 3 per cent of the Budget is spent on developing and maintaining the transport system, while the indirect effects of the system on society’s expenditure are multiple compared to the costs of funding of the transport system. The transport system cannot be planned as a separate component, as its implementation requires multi-sectoral cooperation across administrative boundaries. When planning the transport system, we must thus also take into account its impacts on the development of the national economy and public health.

For Finland the European Union is part of the internal market, and thus the orientation of European transport policy also has a significant impact on national policies and legislation. In March 2011, the European Commission published its White Paper on the future of transport policy entitled Roadmap to a Single European Transport Area – Towards a competitive and resource efficient transport system. The White Paper comprises the transport section of the European Strategy for Growth and Jobs (Europe 2020 Strategy). It outlines the Commission’s long-term vision up till 2050 and the most important actions required to realise the vision. A general objective is to reduce transport emissions by 60 per cent from the 1990 levels by 2050.

The report was prepared under the leadership of the Government’s Ministerial Working Group on Transport and Communications Policy chaired by Minister of Transport Merja Kyllönen. The members of the Ministerial Working Group were Minister of Housing and Communications Krista Kuru, Minister of Economic Affairs Jyrki Katainen, Minister of Agriculture and Forestry Janne Kajasten, Minister of Finance Jukka Gustafson, Minister of the Environment Ville Niinistö, Minister of Defence Stefan Wallin and Minister of the Interior Päivi Räsänen. The Ministerial Working Group was supported in its efforts by a group consisting of public servants from the Ministry of Transport and Communications, the Ministry of Employment and the Economy, the Ministry of the Environment, the Ministry of Finance and the Ministry of Social Affairs and Health. The contents of the report were prepared in 12 sub-projects, with the participation of experts from the Ministries that play a key role in transport administration and transport-related matters.

Transport policy challenges and the current status of the transport system were reported on in separate memorandums, summaries of which are included in Chapters 1.3 and 1.4 of this guide.
The report takes into account and incorporates in its policies the outlines concerning transport policy and other relevant policies in the Government Programme. The report also takes into consideration transport policy development and trends at the international and EU level.

The sub-projects and working groups identified a large number of different development targets regarding the transport system and operating methods. The key policies and actions related to these were collected in the report under the following seven main themes:

- Service-oriented transport system (Chapter 3)
- Funding as the basis for service level (Chapter 4)
- Transport system as an enabler of sustainable growth (Chapter 5)
- Well-being based on the smooth functioning of everyday life (Chapter 6)
- Smart and responsible transport (Chapter 7)
- From efficient operating methods to the desired results (Chapter 8)
- Special transport policy issues of the 2010s (Chapter 9)

1. Future transport policy challenges

Customers and competitiveness

Central transport corridors play a key role. In order to secure competitiveness and sustainable economic growth in Finland, the priorities will include international connections, the service levels on the key internal routes, and efficient transport systems in the largest urban areas. The possibilities brought by the Barents area and the Northern Sea Route may change global transport chains. Economic growth in the St Petersburg region and elsewhere in Russia, improvement of internal transport connections and Russia’s increasingly close integration with the global market may result in significant changes in transport flows in the future. It is believed that the potential opening of the border between Finland and Russia for visa-free travel will multiply passenger volumes and traffic between the countries. We must be able to ensure smooth border crossings and border security. International air connections will also be vital for Finland’s substantial natural resources domestically, while also providing for the international connections needed by trade. It is predicted that the volume and turnover of mining operations will increase three-fold by the middle of this decade.

The mining industry needs to be supported by efficient logistics. The greatest challenges at the moment include the coordination of the main railway lines and ports, connections between mines in Eastern Finland and the Gulf of Bothnia, as well as the transport connections of the mining, metal processing and chemical industries to the growing markets of Asia. Changing the functioning of the goods transport market will play a key role. At the national level, the development needs of the transport system and transport market must be seen in proportion with the needs of the citizens, society and business. As operations become increasingly international, the risk of the shadow economy making inroads into the Finnish transport market grows. The entry of foreign operators into the market has resulted in tougher competition. The viability of companies is also essential for maintaining a responsible and healthy transport and occupational safety culture.

The majority of transport sector legislation is passed by international organisations and through European law, and this highlights the role of forward-looking lobbying in international forums that have a direct impact on transport. Transport is often discussed in other contexts than those of the transport authorities, while similar issues are often discussed in overlapping forums, which requires well-functioning national coordination. The role of the EU is also becoming more visible in regional and bilateral cooperation. Due to the global nature of the transport market, the EU’s activities relating to external relations are justified and mainly support the targeting of adequate draft answers to key sets of objectives, while they also restrict the possibilities for bilateral agreements, for example, with Russia as Finland’s central trading partner.

The cost pressures of logistics are mounting and environmental and quality requirements are increasing, which is reflected in the competitiveness of business. In logistics, the soaring energy prices, climate and environmental requirements and new forms of energy are pushing transport costs up. The value of predictability in delivery chains will continue to increase as a consequence, not only the cost-effectiveness but also the precision and quality of transport needs to be improved. Advanced methods of intelligent transport systems will play an increasingly significant role in the planning and implementation of logistics services. At the same time, transport solutions will place an increased demand on ICT. The use of ICT in the transport system and the development of green technologies will provide new opportunities for solving transport problems and improving the functioning and efficiency of the transport sector. In order to tap the potential of intelligent transport, a new type of competence in customer relations and cooperation expertise is needed.

Making expertise in demanding conditions an export asset. One of the greatest challenges facing an efficiently functioning transport system in Finland is the country’s demanding conditions, and climate change will do nothing to alleviate the situation. The conditions affect all modes of transport and require solutions that combat extreme changes of weather, seasonal variations, increasingly frequent extreme weather events and our geographical location, which is challenging especially from the perspective of winter navigation, all requiring new and effective solutions. Changing weather conditions and the risks inherent in the conditions should be taken into consideration in the planning, building and maintenance of the transport system and infrastructure, and knowledge of the conditions should be integrated into traffic control systems. Expertise in year-round management of severe weather and road conditions is an essential part of Finnish specialist expertise. Advancing techniques and new technologies enable the anticipation of significant changes in conditions, thus improving the safety, smooth running, logistic efficiency and cost-effectiveness of transport. Intelligent services for transport in special conditions can help to improve such aspects as the cost-effective implementation of winter maintenance and combating treacherous road conditions, while at the same time promoting road safety and consideration for environmental impacts. Expertise in weather and road conditions and its intelligent exploitation can also offer Finnish companies competitive advantages and international business opportunities. The benefits brought about by climate change should also be anticipated so that they can be used to full advantage. Shipping in the Arctic sea area, for example, will increase with the opening of northern shipping routes, and this will provide the opportunity to tap the potential of intelligent transport, a new type of competence in customer relations and cooperation expertise and services for varying conditions.

A reliable transport system is needed for the smooth running of travel and transport. Reliability is threatened by such factors as weather conditions, accidents, technical faults, natural catastrophes (including ash clouds), labour market disruptions and human errors. In particular, various types of exceptional weather events, including heavy snow and rainfalls together with storms, have put the functioning of the traffic system to the test in recent years, and it is expected that such phenomena will become more common with climate change. As a result of the increasingly technical systems, the outsourcing of activities and wide-range operating networks, our society is more vulnerable to various types of disruptions than ever before. ICT solutions can help to bring these under control more rapidly and to minimise their effects – while at the same time the increased use of technology makes the system vulnerable to new types of faults and threats. We also need to strengthen our preparedness for extreme weather
events, rising sea levels and climate change in emergency plans for the transport system.

Online services make our everyday lives easier, and as opportunities for telework increase, the need for physical travel may decline. Building a broadband network with wide national coverage plays a key role in making this development possible. Step by step, the private and public sector will transfer services to an online environment, enabling the use of services from home. In the future, more and more jobs can be performed as telework, without the need for a daily commute. Online shopping continues to become more and more popular. Air traffic has increased, and even in Finland, the offer of direct international flights from regional airports has expanded vigorously in recent years. The air travel market reacts rapidly to changes in demand and the economic situation, and thus the offer of transport is in constant flux.

In the safety vision for transport, no-one should be killed or seriously injured in traffic. The greatest number of fatalities occur in non-commercial and non-professional traffic. Compared to middle-aged drivers, the risk of young people (aged 18–20) dying on the roads is three-fold, and similarly, the risk for elderly drivers (over 75) is two-fold. Particular challenges in traffic are drink-driving (and also being in charge of a boat while drunk), running a red light or stopping and neglecting to use safety equipment, which are reflections of an irresponsible traffic culture. In commercial and professional traffic, the goals of the transport safety vision have already been achieved, excluding road traffic, where heavy goods vehicles are a party (although most often not the cause) of nearly one fatal accident out of three. In air, sea and rail traffic, the aim is to stabilise the achieved standard of safety. Changes in the operating environment mean additional challenges to the public transport system, as it affects the need to travel, transport safety and accessibility requirements placed on the transport system.

The environment and urban structure

Climate change concerns all of us. Finland is committed to reducing our greenhouse gas emissions, both internationally and at the EU level. Some 20 per cent of Finland's greenhouse gas emissions are caused by transport. In line with the EU emission reduction targets under the Kyoto Protocol, Finland must achieve a 16 per cent reduction in its transport emissions by 2020 compared to the 2005 levels. The EU's transport policy target is a 60 per cent reduction in greenhouse gas emissions from the 1995 figures by 2050. The emission reduction targets set for the transport sector are challenging. The precautions for achieving them include rapid modernisation of the vehicle stock, full exploitation of advances in vehicle and fuel technologies, a reduction of transport needs by means of transport system and land use planning and a shift away from private cars towards more sustainable modes of transport. The achievement of these targets will be supported by various forms of car pools and ride-sharing schemes utilising information networks that will change the traditional model of private motoring.

The system of transport is almost exclusively powered by oil. Oil prices are quick to react to changes in world politics and economics. In addition, it is predicted that the availability and quality of oil will deteriorate from 2025 onwards, and possibly even earlier than this. Each litre of petrol or diesel we consume also adds to CO2 emissions. We must be able to improve the energy efficiency of transport. Over the long term, we must also find an adequate quantity of new fuels or alternative sources of energy for transport, and the decisions on these are topical in the EU and internationally right now. Alternatives for the current oil-intensive solutions do exist, but the suitability of the various technologies for different modes of transport and the time span of their introduction vary. The range and rapidly changing policies on energy forms are confusing to consumers, and clear, long-term policy lines are thus expected of the public sector.

In addition to greenhouse gas emissions, transport causes many other emissions that are harmful to the environment or human health. These include nitrogen oxide emissions, sulphur dioxide, carbon monoxide, hydrocarbons and particles deriving from shipping and road transport. Of these, the so-called conventional emissions, transport accounts for 20–60 per cent, depending on the compound. Sulphur emissions from shipping affect air quality, in particular in the densely populated coastal areas. There are some 85 million people living in the economic area around the Baltic Sea, about 1 per cent of whom are living within an approximate radius of 50 kilometres from the coast. Emissions of sulphur dioxide, nitrogen oxides, hydrocarbons, carbon monoxide and particles from road traffic in Finland have been reduced to less than one-tenth of the levels fifty years ago. The most recent studies indicate that up to two million Finnish people periodically suffer from respiratory tract symptoms caused by particles and other impurities in the air, and as many as 1,500 suffer permanent lung damage. A result of these impurities is pronounced noise and vibration from traffic impair the quality of the living environment and negatively affect the comfort of residents.

The structure of urban regions is becoming dispersed. The population density of Finnish cities is low, and their structure is fragmented compared to cities with a similar population in other EU countries. The decentralisation of population into sub-regional areas has continued in the last few decades. The per capita energy consumption and carbon dioxide emission rates in Finnish cities are among the highest in EU countries. The majority of the high energy consumption derives from housing and transport. It has not been possible to fully capitalise on the environmental benefits of urban settlement. The trend towards dispersal of urban structures undermines the preconditions for both public transport and walking and cycling, and results in increasing reliance on private cars with increasing traffic volumes and more greenhouse gas emissions, which in turn accelerate climate change.

Efficiency and public finances

The array of transport policy instruments needs to be expanded. The task of transport policy is to ensure that citizens' and companies' day-to-day travel and transport needs are met in an effective, productive and sustainable manner. The stricter constraints on public finances, climate change, the increasingly dynamic operating environment, the evolving range of instruments and changing user needs require transport policy to operate in a way that makes versatile and effective use of a variety of instruments and actors. The Budget spending limit procedure does not fully support the use of a combination of new and different instruments. A budget procedure where investment and operating expenditure are not separated has been a key problem in developing the transport system. In other words, inputs in the transport route network are not factually treated as investments, nor are the investment costs divided over the financial lifetime of the investment in the state's on-budget activities.

In recent years, the roles and funding responsibilities of the state and municipalities in maintaining and developing transport routes have partly become blurred. A more clear-cut division of responsibilities would promote comprehensive planning of the transport system and urban structure. The state alone spends some EUR 1.5 billion annually on maintaining and developing the transport system, and the expenses of the municipalities make up less than one-eighth of this sum. If the products and services currently being procured could be produced at a lower cost and in a manner that was optimised for the entire system, considerable savings could be achieved for the taxpayers.
Cooperation and more extensive preparatory work are needed in the administration. Administration with a silo vision cannot respond to future needs, and cooperation between various administrative branches and at different levels needs to be strengthened.

Cooperation and more extensive preparatory work are needed in the administration. Administration with a silo vision cannot respond to future needs, and cooperation between various administrative branches and at different levels needs to be strengthened in order to make operations more customer-centred and effective. The scarce resources available preclude work that overlaps and ignores what is happening in other administrative sectors, and shared resources should be put to rational use for the good of society as a whole. The municipal reform under preparation aims to respond to the challenges set by the deteriorating dependency ratio and changes in the demand for services. As the municipal reform is implemented, it will affect both transport itself together with the planning and implementation of the transport system and land use. On the one hand, the centralisation of services will to some extent increase the need to travel. On the other hand, however, the municipal reform will support better cohesion of the urban structure, particularly in large urban regions, and thus improve the accessibility of services for pedestrians, cyclists and those using public transport. The opportunities for integrating public transport systems will improve.

The public sector should by its actions support the smooth functioning of society as a whole and the development of productivity. The reorganisation of transport administration was one of the most recent steps in improving the productivity of the administration’s activities. The new roles of the agencies will open up opportunities for new ways of thinking and operating in a more user-centred direction and for developing procurement procedures and expertise in order to make full use of market potential and innovations.

Transport networks and traffic

Because of its geography and low population density, transport volumes in Finland are low and distances long. Private cars play a dominant role in the division of labour between different modes of transport. The development of shipping is directly dependent on economic fluctuations, while the role of rail traffic is relatively stable over the long term. Road and air transport are increasing. Logistics costs are high in Finland by international comparison, and the average 11.9 per cent of a company’s turnover, including fuel tax (EUR 2.675 million), car tax (EUR 1.209 million), vehicle tax (EUR 770 million), railway tax (EUR 10 million) and ferry dues (EUR 80 million).

In passenger traffic, those driving regularly are satisfied with the traffic conditions both in the areas where they live and over longer distances. While traffic normally runs smoothly on main roads, the situation will deteriorate unless the growth in traffic volumes can be controlled. People’s satisfaction with local public transport varies by area – the most common causes for dissatisfaction being ticket prices, unsuitable routes and departure schedules, and the availability of connections in the evenings and at weekends. The most important development target in long-distance public transport is local public transport connections with the stations.

A special challenge is winter maintenance, in which area 

The service level of the transport system

Traffic safety

Traffic accidents are a problem that affects road traffic in particular. In commercial aviation, shipping and road traffic, fatalities and serious injuries are rare. Road safety has improved over the long term in Finland. In 2011, however, the favourable trend was reversed with fatalities on the road increasing by 20 compared to the previous year. The negative trend continued in early 2012, making the goal of reducing fatalities on the roads by one half even more challenging. In 2011, a total of 292 people died and 7,919 were injured on the roads. In previous years, Finland has also ranked relatively high in European road safety comparisons, but recently this situation has deteriorated (11th in proportion to population in 2010, 23rd when comparing the reduction in percentage points over ten years). Finland’s aim has been to be among the five top countries in Europe. The average for accidents at railway level crossings (2002–2011) is 34, with an average of 7 casualties each year. In 2011, 25 accidents with 2 fatalities were recorded.

In recent years, there have been no road accidents leading to the death of passengers. In 2011, there were four fatalities caused by railway accidents, two of which were caused by accidents at level crossings. Fatalities in commercial aviation are extremely rare in Finland. The most recent case was a helicopter accident in 2005 with 14 fatalities. In general and recreational aviation, 1–3 fatal accidents have taken place in recent years, and an average of 50–60 people lose their lives in boating accidents each year.

The environment

Mitigating climate change and achieving the emission reduction targets are a challenging task. Carbon dioxide emissions from domestic transport increased since the recession in the early 1990s up till 2007. After a reduction during the recession in 2008–2009, the emissions began to rise again in 2010. In 2010, carbon dioxide emissions from domestic transport were 13.57 million tons. It is predicted that carbon dioxide emissions from Finnish transport will grow until 2017, after which they will more or less stabilise until the end of the predicted period, that is until 2029. Domestic traffic produced less than a quarter of the total national emissions of carbon dioxide in 2009. The majority (73 per cent) of carbon dioxide emissions from transport are caused by road traffic (roads and streets), the proportion of roads in total emissions from transport being 46 per cent.

Resources allocated to combating the environmental impacts of transport have been inadequate. Reducing traffic volumes over the long term will be vital in order to combat climate change, as this will also help to reduce other environmental impacts.
impacts of traffic. In addition to controlling emissions, the most significant challenges in the transport sector relate to noise, air quality deterioration, the state of the Baltic Sea, ground water contamination, use of natural resources, generation of waste and loss of biodiversity. In addition, routes and other structures needed for transport require a significant amount of space and often reduce the attractiveness of the environment.

Environmental noise may cause direct and indirect health impacts. It is estimated that some 430,000 people are currently exposed to traffic noise exceeding 55 dB. The areas exposed to noise from road transport in particular have increased continuously as transport performance increases, and the challenges of noise abatement will accumulate with efforts to improve the cohesion of the urban structure. In Finland a target has been set to reduce the number of those living in areas exposed to noise exceeding 55 dB by a minimum of 20 per cent by 2020 compared to 2003.

Ensuring the supply of clean drinking water will be a big global challenge in the future. Finland has excellent ground water resources, and we must do everything in our power to ensure that the situation remains good in the future. The construction and maintenance of transport routes and airports require solutions where impacts on ground water play a key role in the planning. Of roads, 6,190 km (approx. 8 per cent) are located in important ground water areas, and 290 km of these roads are structurally protected. Sites where the ground water risk has already been or is about to be realised remain over a distance of approx. 103 km. Reconditioning of contaminated soils will be required mainly in the areas of the old filling stations and railway engine sheds at some 20–25 sites.

The market
About one third of transport market turnover is generated from goods transport, one third from passenger transport and the remainder from forwarding and support activities serving transport. There are 23,000 transport companies operating in Finland, and these employ 130,000 persons in total (more than 5 per cent of employed persons).

The market share of passenger traffic volumes accounted for by public transport in 2009 was 14 per cent, and of person-kilometres 15 per cent. In public transport, buses account for more than one half of the market measured in passenger volumes. The price trend in transport sector services since 2000 has averaged +3.5 per cent a year on the price of train and bus tickets and +3 per cent a year on taxi journeys, while the price levels of air travel have remained more or less at the 2000 levels. Over the same period, the increase in the consumer price index has been slightly less than 2 per cent annually.

The EU transport market has gradually been opened up for competition since the early 1990s. The freeing of competition progressed from the transport of goods on the roads and by sea to air transport and, most recently, also to rail transport in the 2000s. This development will continue in the years to come.

Long-distance traffic is, as a rule, market driven. Air connections from Helsinki to Savonlinna and Varkaus are co-funded by the state and municipalities, which compensate for the deficit of loss-making traffic in equal shares. In Helsinki urban region as well as in Tampere and Turku, competitive bidding in the transport sector is an established practice, and the areas covered by this activity are about to be extended. The new public transport act will also enable competitive bidding in other regional bus operations after a transition period. Taxi services are subject to a licensing system. Access to the sector is restricted not only by eligibility criteria applicable to the licence applicant but also by limiting the number of taxi licences issued. Under EU law, rail transport of goods was opened to competition in Finland as from 1 January 2007. Regardless of this, only one rail company, VR Group, to date operates on the state rail network. In practice, the VR Group also has exclusive rights to passenger traffic. The local transport agreement covering the Helsinki Metropolitan Area between Helsinki Region Transport and the VR Group will expire at the end of 2017, and the agreement between the VR Group and the Ministry of Transport and Communications that guarantees the VR Group exclusive rights to passenger traffic on the current passenger network will expire at the end of 2019.

The infrastructure management contracts (design, investments and maintenance) of the Finnish Transport Agency are awarded through a bidding process. In infrastructure management contracts, competition as a rule works well. There are numerous tenderers for design contracts and investments, and competition is tough. The supplier market is the most centralised as regards maintenance. The market leader in road maintenance is Destia Ltd and in railway maintenance VR Track Ltd. However, competition has also worked well in competitive bidding for maintenance contracts. In maritime fairway maintenance, competition is being opened up, and the market is still evolving. In icebreaking, the trends in terms of competition and costs have not yet developed as desired.

The availability of trained staff is a key factor in the provision of all transport services and their support services. In comparison with other fields, the transport sector has not been able to attract as many young people to training and education as would be optimal.
3. Service-oriented transport system

Finland's regional structure will be developed as a multi-centred, networking concept based on good transport connections. The centres will be developed as nodes of regional structure, not only regionally but also nationally and internationally. Transport system development will be linked to the development of business, the economy, employment and the regions, and it will be implemented in close cooperation with the planning of regional and urban structures. Connections to international transport networks will also be crucial.

Transport policy will be developed with a strong emphasis on service level thinking by specifying target levels for the various service level factors involved in travel and transport. When specifying the service level, societal impacts should also be taken into account (including environmental sustainability and equality), and the aim should be to create a system that forms a balanced whole. Transport policy based on service levels sets out to define the service levels required of travel and transport funded from public finances and of up-to-date information related to the transport system. The service level is based on customer needs, societal objectives and the available resources. Political decision-making will take place at the level of objectives and resources. The transport administration and transport service providers will both participate in implementing the specified service level. This will be based on cooperation with other administrative branches and service providers. At present transport network maintenance contracts specify quality criteria for maintenance, while the contractor assumes the actual operative responsibility. In public transport, demand-responsive contracting systems based on the service level are being introduced.

The transport network classification under the current legislation has no relation to the needs for travel and transport, and it no longer serves the planning of land use and transport or prioritisation of transport services and route maintenance. The use of the transport network is influenced by the development of municipal and service structures, relocation of services and travel-to-work areas. Transport networks and public transport services should be examined from this perspective of changing needs. Key transport networks and, on the other hand, networks of minor importance need to be identified. A classification of transport networks and nodes (public transport terminals, park-and-ride facilities, railway yards, ports) is also required in order to specify the service level targets. In the context of this classification, the order of priority of connections will be defined, as regards issues such as the infrastructure serving foreign trade, ensuring that the choices will support a logistics structure that offers optimum cost-effectiveness while allowing an adequate service level of the prioritised targets to be maintained within the current spending limits. Based on the transport network service level descriptions, businesses can assess the status of connections they will need over a time span of 10–15 years for its own operations.

GOVERNMENT POLICIES AND KEY ACTIONS:

1. The relevant Ministries will jointly draft a development view on a goal-oriented regional structure and transport system, in cooperation with the Finnish Transport Agency, ELY Centres for Economic Development, Transport and the Environment, Regional Councils, urban regions and other stakeholders.

2. The transport network classification will be updated and the responsibilities of the state, municipalities and private actors will be defined more accurately.

3. Transport policy instruments and practices based on the service level specification will be developed.
4. Funding as the basis for service level

Long-term approach and steps to safeguard purchasing power

The state’s financial situation requires policies that promote the stabilisation of public finances. In the transport sector, funding for basic infrastructure management has tended to fall behind the development in other Budget areas. The aim has been and continues to be improving efficiency by making more efficient use of existing infrastructures and transport services in the maintenance and development of the transport system. As a result post-war construction, industrialisation and urbanisation, Finland has systematically built up road and rail networks together with a network of ports and airports with wide coverage and a relatively high quality standard.

The impacts of transport infrastructure decisions will extend to 30–50 years, and their implications on the urban and regional structure will emerge over a time span even longer than this. On the other hand, the functionality of the transport network, modes of transport and different types of goods transport are integral parts of efficiency, business competitiveness and people’s smooth everyday lives today. Transport policy must find a balance between decisions for today and decisions for the future.

Transport policy actions have long-term impacts, and their drafting frequently spans several government terms. Due to the long-term effects it is vital that statutes, regulations and decisions that impact on transport policy drafted in various administrative branches should support future decisions. The practice of drafting up reports is part of the longer time span of transport policy. In order to achieve this aim, decisions on various actions, their funding and other important issues must be made with sufficient foresight.

A spending limit period of four years is not long enough to plan the development and implementation of actions, and in practice, a frequently encountered problem is that the government has no mechanisms for committing to future resource reservations, commitments and letters of intent. The practice of drawing up letters of intent on transport system plans of various scales has continued for some time, and the binding nature of these documents should be further reinforced. A need for commitments that extend over consecutive government terms is also highlighted in the work on NAL, carried out by the state and urban regions, in planning concerning special land use and transport sites agreed with municipalities (including travel centres) and in general planning reservations for traffic routes, which influence the planning of land use and construction.

Long-term policies usually involve risks associated with the future. Global business cycles move at a considerably faster pace than transport solutions. New, efficient techniques and technologies will be introduced. We have to find means to ensure that investments and the capital tied up in them can be used effectively and the associated risks minimised. In public administration investments, too, the price of the capital should be seen as a cost factor in long-term solutions.

In addition to a long-term approach, we need a clear strategic view in transport policy for responding to the enormous challenges of the future. Transport policy must be capable of identifying long-term strategic questions that guide not only network service levels but also customer behaviour and demand. Strategic choices and long-term development plans need to be supported by better information and understanding of the customers’ current and future needs. Our increasingly technological, global and dynamic operating environment is changing rapidly, and in addition to a long-term effort, we need to preserve – also in funding – the possibility to respond rapidly to changes in the operating environment. At the same time, we have to improve our reactivity and, for example, also our ability to identify and respond to changes in the economy, business and service structure and in people’s values. The risks inherent in transport policy solutions, both short and long-term, have to be identified and managed. The development of technology and innovation makes new methods and practices available to us on almost a daily basis, and consequently, we should not attempt to solve tomorrow’s problems with today’s tools.

The transport administration restructuring that was implemented in 2010 provides an opportunity to examine the service capacity and quality of the transport system as a whole and at the same time to optimise transport policy measures to the benefit of the entire society. Along with structural changes, we also have to develop our ways of thinking and operating to focus on the transport system, the service level and the users. As the increase in traffic volumes will be concentrated in the areas of large growth centres and the connections between them, state and municipal funding decisions must support joint policies.

In infrastructure maintenance, long-term contracts will be used, enabling service providers to develop their activities while facilitating an efficient resource policy. The cuts in personnel affecting the state will in the future necessitate increased reliance on long-term contracts. The index linking of long-term contracts will be a challenge as costs rise. If the spending limits remain unchanged, index-linked contracts will take up more and more resources from other operations. With long-term contracts in force, day-to-day maintenance will also require significantly longer time span.

Funding for basic transport infrastructure management covers the maintenance of roads, railways and waterways, basic repairs, traffic control and the related systems, as well as icebreaking and car-carrying ferry traffic. In addition, the appropriations should stretch to funding minor investments, without which the transport system will not be able to serve the needs of changing communities. These construction needs involve intersections, pedestrian and cycle paths, good performance of public transport, a high level of traffic safety, connections to terminals, ports and mines, railway yards, access control and other traffic control. Another challenge lies in responding to environmental requirements by building ground water and noise barriers. Individual major investments in the development of the transport network are funded separately from basis infrastructure management.

The purchasing power of basic infrastructure management funding has declined in the 2000s. In the meantime, traffic volumes have increased. The level of funding has not been sufficient for maintaining the condition of the network. It has been possible to keep the situation under control, however, by reallocating funds and minimising the number of minor investments. We can no longer rely on this type of flexibility. It is difficult to imagine that in the future, the entire transport network and the transport system depending on it could function on insufficient maintenance resources, without the possibility of making any changes.

The majority of funding for basic infrastructure management is spent on activities that are vital for keeping the transport system running. These operations are affected by many factors that create pressure to increase funding. These include:

- Rising cost levels (an estimated 4 per cent annually). In the earthworks construction sector, the cost level has usually increased faster than the general inflation trend (as oil-based products account for a large share of its cost structure). An annual increase of four per cent in the cost level means somewhat less than EUR 40 million in basic infrastructure management.
- Increasing repair needs of transport infrastructure, due to its ageing and age structure. For example, increasing numbers of bridges and other structures, together with control systems and railway yards, are reaching an age where renovation is needed. The cumulative need for repairs, or the repair backlog, is growing.
- Rising demands in terms of the scope and quality of transport infrastructure (including those set by the EU). New routes and the associated equipment need to be managed and maintained (including the Ring Rail Line).
- Increasing traffic volumes, especially in the areas of growth centres. In declining areas, daily maintenance cannot be cut back much further.
- Regional maintenance contracts are index-linked. Their additional costs are reflected as less funding for other activities, unless the spending limits are increased.
- It is difficult to reduce the overall extent of routes over the short term (by closing them down or turning them into private roads). Even if this were done, the possible savings would be minor.

GOVERNMENT POLICIES AND KEY ACTIONS:

State budgeting practices will be developed to support efficient solutions over a long time span and to enable the state to commit to multi-annual contracts in public transport and transport infrastructure management.

The purchasing power of basic transport infrastructure management and public transport will be safeguarded by increases corresponding to the cost level increase made at the end of a government term.

6) NAL = maankäyttö, asuminen, liikenne (land use, housing, transport)
In transport funding, the focus of funding for transport infrastructure will be redirected from transport network investments to minor basic infrastructure management investment programmes and maintenance activities. This will become possible from 2016 on.

Commitment to long-term development of transport networks will contribute to more efficient use of resources, by carrying out planning and implementation with due care. In terms of the functioning of the markets, we should also aim for a steady level of investment. The new development projects to be initiated during the government term have been identified, whereas the ten-year programme is intended to guide planning efforts, and it describes the most important development targets for the transport network and defines the policies on their further planning. The new development projects together with the plans and proposed solutions for road section projects included in the ten-year development programme will be re-evaluated in order to find a solution that is optimally cost-effective and user-centred. In practice, the government investment programme extends from the middle of the current government term until midway through the next term.

Experiment: A NEW, MORE COST-EFFECTIVE DEVELOPMENT SOLUTION FOR MAIN ROAD 12 FROM LAHTI TO KOUVOLA

Would it be possible to find a development solution for this road section that is viable and more cost-effective than the earlier plan and that improves the smooth running and safety of traffic sufficiently?

The current development plan for the Lahti–Kouvola section on Road 12 is so expensive (EUR 176 million) that no funding for it will be available in the foreseeable future. The purpose of the experiment was to find a user-centred, more cost-effective and less expensive development solution for this section that would adequately improve the smooth running and safety of traffic.

In cooperation between the Finnish Transport Agency, ELY Centres, municipalities, the Regional Council of Kymenlaakso and consultants, a new conceptual plan was drawn up for this road, in which the project was divided into smaller parts that were each examined separately. Problems and improvement needs experienced by the users were studied by means of interview surveys. The solutions to problems affecting this section were also examined from the perspectives of regional structure and the transport system, while the possibilities for improving rail traffic and other public transport were also assessed.

Of the four alternatives examined, optimal results would be achieved with a solution that would cost EUR 96 million with a cost-benefit ratio of 2.9. This cost-benefit ratio for the planning solution following the general plan is 2.2. The new solution will achieve 75 per cent of the impacts envisaged by the original solution. It will offer smoothly running goods transport serving the needs of businesses, and the flow of car traffic will be adequate considering the targeted quality standard of a main road. It was estimated that the environmental impacts of road maintenance and traffic can be almost totally eliminated. In terms of safety and flow of traffic, it is estimated that the quality standard of the improved road will be adequate for at least the next 20–30 years.

By means of joint conceptual planning, it was possible to nearly cut the cost estimate of the project by half, to eliminate all essential problems and to improve cost-efficiency. It is far more likely that a project costing only half the original amount will be implemented, and consequently its benefits to society and business will be realised considerably earlier than those envisaged in the original plan.

The results obtained in this experiment indicate that in other projects for main road connections, too, it will in the future be vital to allocate resources for conceptual planning, open brainstorming to find solutions and interaction with users and business. User-centred, interactive planning and linkages with land use planning will help to identify key improvement needs and pinpoint the best and most efficient solutions for developing road sections and the entire transport system, drawing on a versatile selection of tools. At the national level, it will be possible to make a greater number of improvement investments, and the impact of the measures can be enhanced.

GOVERNMENT POLICIES AND KEY ACTIONS:

From 2016, EUR 100 million/year will be transferred from transport infrastructure investments to minor investments and maintenance of the transport network. The investments decided in the government spending limit discussions of spring 2012 will be initiated during the government term. A government resolution has been adopted on the implementation of three key projects of the 10-year development plan (City Rail Loop, phase 2 of the Helsinki–Riihimäki railway line, a double track railway for the Luumäki–Imatra section and improvement of the connection from Imatra to Russia.) Otherwise, the 10-year plan is intended as guidance for planning.

Funding for public transport

In addition to having an effect on basic transport infrastructure management, the rising cost levels also undermine the effectiveness of public transport funding. Over the last three years, the costs of bus traffic have gone up by some 15 per cent, while government appropriations for regional public transport, for example, have shown an increase of only 0.7 per cent in this period. This has led to cutbacks in purchased services. From December 2010 until December 2011, the cost index increase for bus transport was 4.6 per cent. The most rapid increase in costs was recorded in salaries, capital depreciations, insurance, fuel and lubricants, and overheads. Considering the index trend and the fact that funding remained unchanged in the 2000s, the funding deficit of state-supported bus traffic is some EUR 20 million.

State funding for public transport will be reformed to correspond to the service level specifications and financial transport packages replacing the earlier mechanism of funding partly based on modes of transport. The future goal will be to increase statutory government contributions to public transport in those urban regions where the aim is to guarantee a competitive service level and where the municipalities of the region will also increase their funding allocated to public transport. Funding for improving public transport service levels will be sought through structural reforms, by making the state’s public transport procurements more efficient, and also by implementing a complete overhaul of the taxation and charging policy.

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GOVERNMENT POLICIES AND KEY ACTIONS:

The structure of transport services funded and supported from state funds will be redesigned, and separate funding for modes of transport will be discontinued.

Funding will be allocated to improving the competitiveness and increasing the use of public transport in urban regions. In other regions, the basic service level of public transport will be secured.

Funding models and spending limits

The policies presented in this report have been reconciled with the Budget spending limits for 2013–2016 adopted in March 2012.

Transport infrastructure development must be a long-term subject activity prior to subject planning. The aim of government formation in the spring of 2012 was to build on a funding level that will ensure the day-to-day functioning of the transport system and the most significant national projects to be launched during the government term. Decisions on transport projects should be based on their socio-economic viability and transport policy impact. This is the basis on which the priority of projects will be established, and the possibilities of implementing them will be assessed as a whole within the framework of the spending limits. The project implementation and funding models will then be assessed for each project on the basis of clear criteria of cost-effectiveness and efficiency. When making decisions, it must be ensured that the use of debenture models does not undermine the stability of public finances and result in unreasonable commitments.

The Government Programme includes a commitment to study various budgeting and funding models for transport investments. To meet this commitment, the Ministry of Finance appointed a working group to examine the requirements for using new funding and budgeting models in transport investments. This work also included investigating the opportunities of obtaining public finance savings and other benefits in transport infrastructure projects through a state enterprise concept with the working title Infra Oy. In this context, Infra Oy refers to an expert organisation operating as a limited company fully owned by the state that would specialise in coordinating the funding for partnership projects between the state, companies and municipalities.

The working group concluded that more flexibility is needed in traditional budget funding. In order to improve the flexibility of funding, without risking the prerequisites for controlling public expenditure and stability, an agreement was made, in cooperation with the Ministry of Finance, on developing the transport system budget procedure. Measures agreed include the following:

- The budget authority procedure will be discontinued as regards item 31.10.77 “Transport network development”, and a 5-year deferable appropriation procedure will be introduced.
- Separate funding will be allocated to the planning of development projects for infrastructure management under a development project item, to which the requisite appropriations will be transferred from basic transport infrastructure management.
- TEV aids and third-party co-funding will in the future be processed as structural adjustments to spending limits. The transport aids will be allocated to development projects.
- Legislation on the practical operation of the system will be brought up to date and clarified regarding responsibilities for and funding of transport networks.

If it has been established that the most advantageous way for the state to implement a transport infrastructure project is a PPP project, Infra Oy or a similar operating model could, depending on the situation, be one option for reducing the funding costs of such projects. Infra Oy could also facilitate the obtaining and coordination of funding in projects co-funded by several parties. The Infra Oy model does, however, still involve significant uncertainty factors and problems. It is thus not considered justified at this stage to establish a permanent
Infra Oy institution, but using Infra Oy on a trial basis in individual cases is regarded as a possibility.

The use of Infra Oy should be based on careful case-by-case preparation and comparison with other funding and implementation alternatives. In the preparation particular attention should be given to ensuring that private sector efficiency incentives are adequate and that the state’s share of the risks is not excessive. The potential use of Infra Oy is restricted to PPP projects only. Such projects should be handled by applying the same spending limits and restrictions on indebtedness as those applied to other state transport projects.

As certain car-carrying ferries reach the end of their service life, replacing the ferry connection by a bridge should be considered. There are a total of nine short ferry connections in the country, where a bridge could be less expensive than a ferry. In addition, one longer ferry connection has been examined. These sites might be suitable for implementation on the overall responsibility principle with a long contract term and a subsequent funding model. If the premise is that the service charge for subsequent funding is set at a level equalling the current operating costs, it is estimated that this would require a contract term extending to some 30 years.

**GOVERNMENT POLICIES AND KEY ACTIONS:**

Funding models that increase efficiency combined with advanced budgeting procedures will be used to fund investments. Subsequent funding will only be used if accelerating project implementation will produce significant benefits to transport or society.

In the future, a preliminary agreement on the scale and key projects of the transport network development programme should be reached in connection with the government formation talks.

Long-term funding models will be investigated in order to identify opportunities for cost savings in transport infrastructure management; for example, the opportunities of viably replacing car-carrying ferries by bridges will be analysed.

Transport pricing will be developed to guide the use of the transport system and make it more efficient, to improve safety and reduce environmental impacts, as well as to fund the maintenance and development of the transport system. A long-term pricing strategy will be specified together with its links with such issues as transport system funding and taxation of motoring. For this purpose, a working group was set up, designated “Towards fair and intelligent transport”, which will complete its work by the end of 2013.

In the next few years, development solutions for road connections will be reviewed to find more cost-effective and user-oriented solutions and to define the dimensions of the measures.

5. Transport system as an enabler of sustainable growth

A key objective of transport policy is to ensure the functioning and development of domestic and international traffic connections supporting Finland’s competitiveness and sustainable economic growth. Transport policy solutions can also play an active role in offering companies new business opportunities, thus providing additional benefits for the regions in order to support sustainable growth, employment and competitiveness.

Logistics competitiveness and development needs of Finnish foreign trade

Foreign trade statistics for 2011 contain some harsh facts, with a trade balance that showed a deficit for the first time in 20 years. Reviving Finnish export industries will be a key concern for the current Government in the near future. The bottlenecks affecting the export industry must be resolved without delay, and this also applies to transport. In summer 2010, the World Economic Forum published an extensive comparison of the performance of foreign trade in various countries, looking at factors related to foreign trade transport, border crossings and Customs activities. In 2010, Finland ranked 12th out of a total of 125 countries. In an international analysis of logistics performance, Finland also ranked 12th in 2010.

When we look at the overall competitiveness of Finnish companies, about one third of competitiveness in trade and about one fifth in industry is generated by competence in logistics. For major companies, the share is even higher. Companies can directly influence approximately one third of their logistics competitiveness. The effective functioning and openness of the basic structures of society combined with the lack of corruption are factors that promote competitiveness in Finland. Our standard of education, training and competence is also high. The coverage and capacity of the current transport network is for the most part adequate from the logistics perspective. Finland has a well-functioning logistics services market and the services offered are of high quality by international standards.

In terms of competitiveness, the high level of taxes and charges levied on transport and their continuous rises constitute a problem. Labour cost levels in the logistics sector in Finland are also high compared to many countries that are our competitors. The degradation of the transport network
and problems of year-round operability are a concern for the sector. A large proportion of regulation in the sector derive from international fora, and it will be important to adapt them to Finland’s special characteristics into account and to ensure that the policies are not drawn up exclusively with the circumstances of congested, densely populated countries in mind. Another burden is Finland’s dependence on shipping, which is due to the nature of the country’s insular character. Moreover, the long distances combined with relatively sparse goods flows set challenges to the cost-effectiveness of transport.

Political, economic, environmental, social and technological changes will take place in the logistics sector. The key requirement for logistics, and these, taken together and separately, may considerably affect Finland’s position. Changes in the world economy will increasingly affect the economic development of countries such as Finland that depend on foreign trade. For example, it has been predicted that China will already be the largest economy in the world in the early 2020s, and the focal point of world trade is increasingly shifting towards Eastern and Southern Asia. The demand for logistics services depends on such factors as industrial production in Finland, the structure and location of the industries, and the level of domestic consumption. Economic development in neighbouring areas, and especially Russia, will also be a significant factor driving economic activity in Finland.

Taxes and charges levied on transport in Finland are usually fiscal by nature, with no connection to the costs incurred by transport. The level of these charges is high and continues to increase. The rising cost levels will have direct impacts on transport. The level of these charges is high and continues to increase. The rising cost levels will have direct impacts on transport.

Efforts to reduce these transport costs should, however, be examined critically. As a consequence of changes in the production structure, some transport routes may lose their importance over time. In the case of network sections of this type, we must be able to make decisions on network cutbacks. For example, this applies to railway lines with low volumes of traffic.

As regards weights and dimensions in road transport, Finland should also maintain sufficient room for manoeuvring large vessels currently levied on various modes of transport and should be revised on the basis of a comprehensive analysis that includes all modes of transport. There are significant differences in the relation between the taxes or charges levied on transport and the costs of domestic transport. In this respect, we are on the same starting line as Sweden, although Sweden has already carried out pilot experiments on using vehicle combinations that are clearly larger than today in timber transport.

Steps will be taken to ensure appropriate operating conditions for Finnish export industries and to maintain the competitiveness of transport in the sector. The main idea is that the business logistics competitiveness will be conducted in each government term. In connection with transport policy decisions, a common database of information on transport and the impacts on companies, the functioning of logistics and competitiveness. The availability of skilled labour, including professional drivers, will be ensured.

Ensuring the daily operability and reliability of the transport system is of key importance, not least for trade and industry. At the current funding levels, it will not be possible to maintain the condition of the entire transport network at a high level, and we must therefore ensure the performance and good condition of our key transport network in particular. The punctuality and reliability of rail traffic is a priority area of the Government Programme. Over the long term, our society will pay dearly if the condition of critical structures is allowed to deteriorate. Infrastructures in a poor condition would also be a safety risk. Transport infrastructure is a key part of our society's basic services and critical infrastructure; the predictability and seamless functioning of these logistics services with as little disruption as possible are important for customers, for Finland’s competitiveness and for safeguarding the vital functions of society. Preparedness in transport logistics should therefore be based on the requirement to ensure the continuity of these activities in all situations, from disruptions under normal circumstances to emergency conditions, as part of normal resource planning and decision-making. Recent disruptions in transport, including the impacts of an exceptionally severe winter on rail traffic and shipping, and reoccurring extreme weather conditions, highlight the need for both the transport network and the daily operability and reliability of the transport system at a high level, and in the current service model the production costs of icebreaking are rapidly increasing, while the desired service level may still be unattainable.

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During the government term 2012–2015, transport network development projects amounting to approx. EUR 1 billion will be initiated. These projects are listed below and in Figure 2. For project descriptions, see Appendix 1.

**Transport network development projects to be initiated during government term 2012–2015:**

1. E18 Hamina–Vaalimaa (PPP project, budget authority €560 million) €240 M
2. E18 waiting area for lorries at Vaalimaa €25 M
3. Main road 3 Tampere–Vaasa (at Lahia) €20 M
4. Main road 5 at Hollola €20 M
5. Main road 6 Tavetti–Lappeenranta €80 M
6. Main road 8 Turku–Pori €100 M**
7. Repairs of areas with ground frost damage and soft soils on main railway lines €85 M
8. Riihimäki triangle line €10 M
9. Improvement of the rail connection Ylivieska–Itisalmi–Kontiomäki (electrification) €90 M
10. Roanafairway €20 M
11. Motorway 101, improvement of Ring Road I (state contribution*) €35 M
12. Capacity improvement on Helsinki–Riihimäki railway section €150 M
13. E18, development of Ring Road III (state’s contribution*) €110 M
14. Raw timber terminals €40 M
15. Main road 22 Oulu–Kajaani €45 M
16. Main road 4 at Rovaniemi €25 M**
17. MAL project packages (state contribution €30 M, municipalities €30 M) €30 M**
18. Renewal of road, sea and rail traffic control systems €90 M
19. Improvement of the efficiency of Helsinki railway yard €100 M
20. Development of connections to mines; projects of high industrial policy significance, to be decided separately
21. Luumäki–Imatra double track and improvement of the connection from Imatra to the Russian border (cost estimate €380 M), planning €10 M

* Cost sharing between the state and municipalities will be subject to a more detailed study.
** If a PPP project, the budget authority will be €250 M.
*** Funding from basic transport infrastructure management.

In addition to the projects to be initiated during the government term, the government is committed to implementing the following three priority projects under the 10-year investment programme:

- City Rail Loop
- Capacity improvement on Helsinki–Riihimäki railway section, phase 2
- Luumäki–Imatra double track and improvement of the connection from Imatra to the Russian border.

For other targets of the 10-year programme, see Appendix 2.

**Improving main corridors**

- The functioning and safety of travel and transport on main corridors will be improved. Accessibility between the regions and the competitiveness of business are key objectives.
- The capacity and punctuality of traffic on the rail network will be enhanced while improving the stability and safety standards of railway embankments. Measures targeted at fairways for merchant shipping will improve the functioning and efficiency of shipping in terms of transport economy.
- Road network measures will improve road safety and ensure a more uniform service level in long-distance traffic. Projects affecting the Turku–Vaalimaa section on E18 to be initiated during the programming period will improve the consistency of the service level on the most international road in Finland, and the Nordic Triangle prioritised by the EU will be implemented.

**Transport system in the Helsinki Metropolitan Area**

- The conditions for rail traffic and park-and-ride facilities will be improved in the Helsinki Metropolitan Area. The performance and safety of commuter traffic, public transport and distribution traffic will be improved on the Ring Roads by means of transport infrastructure and traffic management.

**Improvements of other main roads and the railway network**

- By addressing individual problem areas in the road network, the service level will be maintained and traffic safety improved. The transport system for raw timber will be developed to be more efficient and economical.

**Projects in urban regions**

- The goals are to promote smoothly functioning travel chains, to improve the prerequisites for public transport, to support efficient use of the existing network, to promote walking and cycling and to reduce adverse effects on the environment. Transport solutions will support new housing areas and areas where jobs are located if they rely on public transport.

**Traffic control investments**

- Day-to-day operability will be safeguarded and conditions will be created to ensure efficient use of transport networks and punctuality of traffic. Keeping the actors well informed will improve the performance of travel and transport chains. Reducing the risk of environmental catastrophes is a key objective in maritime and inland waterway traffic.

Other perspectives include regional equality, business competitiveness, role as a network (trunk networks and nodes) as well as high traffic volumes and growth centres. Based on their impact, individual projects are categorised in the following five project packages:

Transport networks

Transport networks will be developed through a transport investment programme (Appendices 1 and 2). The investment programme is based on the following statement in the Government Programme: “Important projects include plans serving large volumes of traffic that also support economic growth, have the best cost-benefit ratios, promote traffic safety, reduce emissions, and are of regional importance.”
Minor investment programmes provide the opportunity to invest flexibly in meeting the change needs of communities and business at a number of sites, achieving an impact that extends to a larger area and meets current needs. There are several hundred sites and development needs around Finland (amounting to EUR 1.3 billion). Minor investment programmes have been drafted on the basis of regional needs, targeting the following themes:

- traffic safety
- goods transport nodes
- improving the operating conditions for business transport
- supporting the operating conditions for mining
- promoting walking and cycling in urban areas
- improving the functioning and punctuality of public transport
- nodes in travel chains
- improving the living environment (ground water, noise, vibration).

Roads and railways can be seen as corridors alongside which infrastructures significant for the functioning of society can be put in place. The Highways Act, the Railways Act and the Communications Act provide for the installation of electric and telecommunications cables along roads. By permission of the party responsible for road management, electrical leads and cables, telecommunications cables, natural gas pipes, district heat pipes, water supply and sewage pipes, biogas pipelines and pipe systems for wind turbines can be placed in the road area.

In the context of major amendments to the Highways Act and the Railways Act to be drafted in 2012, the Ministry of Transport and Communications is preparing a legislative proposal to streamline and coordinate the licensing processes for the installation of on-road electric cables, telecommunications cables, natural gas pipes and district heat pipes. For example, it is intended to harmonise the procedures with those of other countries so that installations in Finland can also be licenced under the European Union’s common framework for infrastructure installations.

An effort will be made to allocate additional funding to minor investment programmes. In 2013–2015, an effort will be made to allocate additional funding to minor investment programmes.

The government is committed to the electrification of the Finnish railway network in order to reduce carbon dioxide emissions. Electrification of the section between Viipuri and Saimaa is the highest priority, followed by the Hanko–Hyvinkää section. Various subsidy systems and principles relevant to private roads will be clarified and simplified, and the legislation will be updated.

The assessment of the development needs and perspectives of inland waterway transport will be updated by the end of the government term.

Transport connections for the mining industry

In recent years, the Finnish mining industry has been developing in a new direction. New deposits are being evaluated, and refining processes have been developed. This is a transport intensive industry, and well-functioning connections are needed for transporting not only the products of mining but also the process materials used. A high degree of domestic processing will benefit Finnish business life while reducing the environmental impacts of international transport.

In 2011, the Highways Act and the Railways Act were amended in connection with the preparation of this report, to address the development needs and perspectives of the mining industry. In October 2011, the Mining and Transport and Communications commissioned the Finnish Transport Agency examine what companies and authorities considered to be the transport needs and viable transport routes for mining operations in Northern Finland. The objective of the study is to form a shared national view of the transport routes needed by mining operations and their impacts on the transport system over the short and longer term. The task is to establish the transport needs of mining operations in Finland and its neighbouring countries over a short (<20 years) and longer time span (20–50 years). At the same time, the principles and funding models by which the state and mining companies could participate in the construction and maintenance of the transport routes required by mining operations will be considered. The state has earlier committed to paying for certain road connections to the boundary of the mining area and to participating in the costs of building a railway, and the state has also played a part in developing railways. A report drawn up in cooperation with the mining industry, various other players and the neighbouring countries will be completed by the end of 2012.

A Programme for Eastern and Northern Finland drawn up under the leadership of the Ministry of Employment and the Economy will also be completed in 2012. In Sweden, Norway and Russia, the future outlook and development opportunities of the northern regions have been examined in separate projects with the aim of forming a vision for these regions. Once the Programme for Eastern and Northern Finland and the studies examining the transport needs of the mining industry have been completed in 2012, it may be necessary to put together views concerning the development of northern areas of Finland and prepare a vision for Northern Finland as a cooperative project between various Ministries.

GOVERNMENT POLICIES AND KEY ACTIONS:

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The market transport and Communications will continue its measures and studies to combat the shadow economy in its own sector, in line with the decision on spending limits.

Combating the shadow economy

Combating the shadow economy is a top priority government project. In the transport sector, the shadow economy is seen in the use of illegal labour, and in illegal activities of foreign transport companies in the Finnish market. Other common forms include sales of illegal transport services provided using vehicles registered for private traffic, profiting from bankruptcy and the use of “disposable” companies set up for dishonest purposes. Company surveys conducted in 2009 indicate that the shadow economy accounted for an estimated ten per cent of the total sales of goods transport by road. One out of two transport companies estimated that the shadow economy had grown in the 2000s. Relatively speaking, the biggest problems relate to removal services, Eastern European traffic and construction industry transport. According to GNP calculations, the shadow economy accounted for four per cent of the profits of goods transport by road in 2009, or approx. EUR 230 million. The estimated undeclared salaries and business income amounted to approx. EUR 70 million.

The insufficient roadside supervision and company inspections facilitate the committing of these crimes. As regards foreign vehicles, there is too little international exchange of information between supervisory authorities, considering the extent of the problem. The measures indicated in the government resolution on combating the shadow economy can also be implemented, as appropriate, in road transport. In order to enable more efficient action by the authorities granting operating licences and supervising the sector, the resources and opportunities for exchanging information must be increased. The rapid growth in cross-border traffic on the external borders adds its own challenges to the task of maintaining even the current levels of supervision of the shadow economy or road traffic. We must take steps to prepare for this in advance. The possibilities of the Finnish Transport Safety Agency to increase road traffic surveillance should be examined.

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6. Well-being based on the smooth functioning of everyday life

Efficiency of travel in urban areas

Travellers and operators transporting goods face the most significant daily traffic problems in large urban regions. In terms of the performance and sustainability of the entire transport system, increasing the proportion of travel undertaken on foot, by cycling or using public transport will play a key role. The objective is that the traffic conditions in urban regions will be improved by utilising technology, the versatile competencies of the actors involved, efficient cooperation and mobility management. Park-and-ride facilities are a link between the different modes of transport, but clearer practices are needed for their organisation.

Experiment:
PARK-AND-RIE

Would it be possible to find an operating model for accelerating the construction of park-and-ride facilities in large urban regions, thus reducing the number of cars entering urban centres?

Currently, no specific party is responsible for organising park-and-ride facilities, and the building of new facilities is progressing slowly. The experiment seeks models for the sharing of responsibility and for the implementation and funding of park-and-ride facilities and bicycle parks at the terminals and nodes of rail traffic and other public transport, in cooperation between the Finnish Transport Agency, municipalities, Helsinki Region Transport, ELY Centres, users, transport operators, landowners and businesses. The objective is to create a contract model in which responsibility for implementing the project is specified and which is co-funded by the beneficiaries (state, municipalities, other landowners, transport operator, entrepreneurs). In this model, the increase in land value due to station area development will be channelled to the agreed extent into investments in developing park-and-ride facilities.

As a pilot site, the station of Kauniainen in the Helsinki Metropolitan Area was examined. However, Kauniainen City Council decided against zoning an area for a grocery store in connection with the plans for the park-and-ride facility. The area zoned for business premises was small to begin with, and the majority of the costs from the park-and-ride facility would thus have been incurred by the public sector, mainly the city. In terms of the city’s funding interests, an excessive proportion of the users would have been residents of other municipalities. In negotiations conducted between the landowners, it was agreed that the city would plan and implement a park-and-ride facility in the area at its own cost as a temporary solution. In connection with the planning of the Espoo-Leppävaara city railway line, the area will be developed further as an attractive park-and-ride solution and part of the park-and-ride system of the Helsinki Metropolitan Area.

Attractive park-and-ride facilities combined with commercial services will benefit residents, businesses and municipalities. The benefits for trade will also be considerable, as station areas are good trading locations. New services could be developed in connection with the park-and-ride facilities that would make people’s everyday lives easier and draw them to use public transport, thus reducing private motoring in urban centres.

A requirement for organising park-and-ride facilities partly with private funding is that the municipality will plan major new building rights in the station area. It would also be in the state’s interest to co-fund park-and-ride facilities, as they reduce the investments needed for access routes, the costs of congestion and greenhouse gas emissions. The Finnish Transport Agency is creating an operating method where needs for park-and-ride facilities are assessed and the implementation of the required park-and-ride solutions are included in all significant transport infrastructure investment projects. This method was already followed in the Ring Rail Line project. A park-and-ride strategy for the area covered by Helsinki Region Transport will be prepared under the leadership of HRT, which will address the operating model, the parties involved and funding. In order to achieve a significant increase in park-and-ride facilities, they should be specified as part of the public transport infrastructure, and a host organisation should be appointed for them.

The expansion of urban regions and fragmentation of the urban structure has resulted in longer journeys to work and services and increased the use of private cars. Contributing factors have included in particular scattered development outside planned areas and areas where planning is to a great extent based on the needs of private motoring. In a dispersed urban structure, organising public transport is difficult. Distances to services are also often too far to walk or cycle.

The urban structure has great economic significance, as construction and maintenance costs in a scattered structure are considerable (routes, municipal utility systems). In addition, solutions made when building urban structures are to a great extent permanent and have a long life span.

Urbanisation, however, also opens up opportunities: a dense urban structure creates the prerequisites for high-quality, cost-effective public transport, and many distances are short enough for walking or cycling. Walking and cycling are low-cost modes of transport that promote health and well-being. As cities grow, it is also possible to develop a high standard of public transport between them.

GOVERNMENT POLICIES AND KEY ACTIONS:

27  Accessibility and promotion of public transport, walking and cycling in an appropriate manner will be taken into account in transport policy, the procurement of transport services and the development of transport conditions.

28  Efficiency of travel and transport in the largest and growing urban regions will be a special priority. Key instruments will be more efficient use of the existing infrastructure capacity and finding solutions for organising park-and-ride facilities.
Public transport

The entire transport system has an impact on the smooth functioning of citizens’ everyday lives, but significant development needs are emerging in public transport, especially in urban areas. However, it has not been possible to secure funding for resolving these issues. The development targets and top priority measures for public transport are contained in the following four perspectives.

The challenges of organising a public transport service package include the fragmented nature of the public transport sector and the lack of a shared vision and customer perspective. Progress cannot be based solely on official measures or ownership steering, as all actors must be involved. The benefits of an interoperable public transport system are undeniable, and only this will promote the customers’ interests, by improving the competitiveness of public transport and creating the conditions for increasing use of sustainable modes of transport.

In procurements relating to the basic service level of long-distance services, it is vital that public resources are not used to fund several alternatives and modes of transport, as the service should as a rule be offered using only one mode of transport that is appropriate for the connection in question, serves the area optimally and ensures accessibility.

In opening up passenger rail services to competition, Finland’s goal is to move forward following the policies laid down by EU legislation, while, however, taking into account the fact that genuine competition also requires operative conditions. Following the policies of the Government Programme, a study on the macroeconomic impacts of opening passenger rail traffic to competition is under way. The full implementation of the Act on public transport (Joukkoliikennelaki, 869/2009) within the original schedule will be ensured. The effectiveness and impacts of the public transport act will be monitored and assessed, also from the perspective of market access. The creation of new services will be facilitated.

The aim will be made to ensure the realisation of a basic service level for long-distance travel nationally. On sections where the basic service level cannot be met in a market-driven manner, public funds will be used to purchase transport services in order to meet the required service level, as a rule relying on a single mode of transport.

Passenger transport funded from public resources, including travel to basic education schools, social and health care services transport, transport reimbursed by the Social Insurance Institution and public transport procured by transport administration will be competitive but also securing equal access of different actors to maintenance and support services, thus facilitating a fair supply of services in terms of competition and market access. In Finland, this will mean major changes in organisational structures and ownership. Issues relating to the opening up of competition also include fair and equal organisation of traffic control and energy supply, availability of trained personnel and rolling stock as well as the adequacy of railway infrastructure capacity.

In sparsely populated rural areas, various public transport solutions should be explored, seeking cost-effective and user-centred alternatives that tap the possibilities offered by technology, for example demand-responsive public transport. By combining the school transport services provided by the educational and cultural services, social and health care services transport, transport reimbursed by the Social Insurance Institution and open public transport supported by transport administration to form a package planned and managed as a whole, we can both improve the service level and achieve cost-effectiveness.

GOVERNMENT POLICIES AND KEY ACTIONS:

In cooperation between various parties, public transport will be developed to provide a service package that is consistent and easy to use for all user groups and that also includes a user-friendly, interoperable payment and information system. Public funding will be granted on the condition that the actors commit themselves to developing and introducing an interoperable payment system.

The objectives of EU legislation include not only opening up passenger rail services transport, transport reimbursed by the Social Insurance Institution and public transport procured by transport administration to competition but also securing equal access of different actors to maintenance and support services, thus facilitating a fair supply of services in terms of competition and market access. In Finland, this will mean major changes in organisational structures and ownership. Issues relating to the opening up of competition also include fair and equal organisation of traffic control and energy supply, availability of trained personnel and rolling stock as well as the adequacy of railway infrastructure capacity.

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Could the organisation of passenger services funded by society be better coordinated and more cost-effective, while the service level improves?

This experiment was carried out in Kouvola area and it explored ways of making passenger services purchased with public funds more effective. Without intervention, the costs will spiral upwards uncontrollably in the future, the reasons for this including the ageing of the population, the centralisation of municipal services, the general increase in transport costs and shortcomings in transport coordination and procurement. The steering group for the project included representatives from the Ministry of Transport and Communications, Kouvola City, ELY Centres, the Finnish Transport Agency, the Association of Finnish Local and Regional Authorities and consultants.

In connection with a municipal merger in 2009, Kouvola started developing its passenger transport system with the aim of increasing the share of public transport, improving services for the elderly and persons with restricted mobility and increasing the cost-effectiveness of the system. The system had already been improved by increasing the share of open public transport, creating demand-responsive public transport services and centralising the management and funding of passenger transport to a single body from the beginning of 2012.

The experiment found that the current legislation and its interpretations obstruct the development of productivity. Transport of special groups and transport reimbursed by the Social Insurance Institution are organised as individual journeys by taxi. The measures taken by the local authorities to develop the system do not bring cost savings to the city, as the productivity gains achieved through more effective operation are mainly transferred to the Social Insurance Institution. Significant additional benefits could be achieved by combining journeys reimbursed by the Social Insurance Institution and from other public funds and by introducing a joint management system for all such traffic. The public support system for passenger transport should also be reviewed to ensure that it steers the actors towards optimal solutions. It was noted that the results of the experiment can be generalised to apply at the national level.
Good European practices of promoting walking and cycling

In improving the opportunities for walking and cycling, a policy that supports these modes of transport plays a key role. The starting point at policy-making level will be a willingness to promote cycling, walking and public transport. By organising effective bicycle parking facilities in connection with planning of the living environment – by locating storage facilities for bicycles near the front entrance while car parks are available past a certain distance, setting up bicycle paths, providing bicycle maintenance equipment for cycle paths and intersections through various types of safety measures, such as eliminating the need for continuous cycle paths, thus promoting walking and cycling as a primary mode of transport in urban regions. The proposed measures typically include improving the safety of cycle paths and intersections through various types of level and interchange solutions, and by developing bicycle parking in connection with public transport stations and stops.

Service levels of traffic in the archipelago and the Kranken

No decisions have been made on the service level of archipelago traffic, and the relevant funding is lacking. The Act on the development of the archipelago (Laki saariston kehityksen edistämisestä) is based on the principle of the state striving to ensure that permanent residents in the archipelago have access to the transport services necessary for housing, earning a livelihood and using the essential services, and that these transport services are as flexible and reasonable priced as possible. In addition, the archipelago decree (saaristoasetus) is based on the premise that permanent residents of islands located on a ferry route and the vehicles owned by them and transporting goods for them are exempted from charges in subsidised traffic.

The service level should be specified for permanent residents, for whom free services are offered. Charges collected from other users of archipelago ferries or restrictions to the number of free journeys for free time residents are alternatives that should be explored. The service level of ferry traffic should be adjusted, taking into consideration the peak periods of demand in summer and winter on the busiest ferry connections and the night-time service level. Archipelago traffic user numbers should be monitored systematically, and the service level should be adjusted if necessary. In order to ensure funding for archipelago traffic, the budget structure could also be examined. The funding needs of ferry traffic have been increased by such factors as rising cost levels and the increase in capital costs arising from the need for partial renewal of the fleet. This has resulted in funding being transferred to ferry traffic from other areas of basic transport infrastructure management, which is already under strain.

A car ferry has been operating across the Kranken for nearly 50 years of which at least 10 years have been funded by the Finnish tax payers. The ferry traffic to and from the islands came to an end in 1999, resulting in a dramatic drop in passenger numbers. The Finnish Government, and regional authorities in both Sweden and Finland have subsidised passenger traffic between Vaasa and Umeå from 2010. This subsidy will be discontinued at the end of 2012. In line with the Government Programme, the Government will support efforts to continue ferry traffic in the Kranken and will prepare a long-term strategy together with representatives from Sweden and the Kranken in order to safeguard the continuation of this service. This work is under way and it will be completed in September 2012.

Good European Practices

A decision will be made on the service level of traffic in the archipelago, and the requisite funding will be allocated. Advanced procurement methods and the use of state budget authorities will serve to ensure the long-term viability and reasonable cost-effectiveness of the traffic.
7. Smart and responsible transport

One of the greatest challenges facing humanity at present is the need to mitigate climate change and adapt to its impacts. Carbon dioxide emissions will remain in the atmosphere for a period extending to hundreds of years, and the consequences of today’s decisions and measures will thus reach well into the future and affect the lives of generations to come. In order to reduce the carbon footprint of transport it will be necessary to take effective action that is well co-ordinated within central government to ensure that Finland is able to meet current and future obligations of reducing emissions at international and EU level. In Finland transport accounts for roughly one fifth of carbon dioxide emissions.

The transport sector is currently dependent on fossil fuels. Apart from electric rail traffic, transport depends almost exclusively on hydrocarbon fuels refined from crude oil. However, easily exploitable oil resources are dwindling globally, while oil consumption in such countries as China is growing rapidly. As a consequence, oil prices will be under severe upward pressure in future decades, and the availability of oil may also deteriorate faster than anticipated. A working group is currently investigating future energy forms for transport. In connection with this work, it will be necessary to define the energy hierarchy of transport, as well as practical measures by which we can promote the replacement of oil. The changes required to reduce our oil dependency will take place rather slowly, and we will thus already need to make decisions during the current government term.

The vehicle stock in Finland is among the oldest in the EU countries. By renewing the vehicle stock, we could achieve the greatest impact in terms of our obligations to cut down on transport emissions over a period extending up to 2020, that is 80 per cent of the need to reduce emissions in the entire climate policy programme. Studies also indicate that newer cars are on average 10–50 per cent safer than car models that are 10 years older. Developing the technical safety of vehicles has been one of the most important individual factors that has helped to reduce road deaths.

Finland is committed to international targets of reducing greenhouse gas emissions at many levels. In the Kyoto Protocol, an 8 per cent reduction in emissions was set as the target for the EU. Later on, this target was allocated among the various countries at EU level. For Finland the agreed target was to keep the emissions at their 1990 levels. In the period following the Kyoto Protocol, the EU is committed to the so-called 20–20–20 targets. In line with the EU targets, Finland should reduce its transport emissions by 16 per cent compared to 2005 by 2020. Finland’s national long-term climate and energy strategy (2008) set a reduction of emissions by 15 per cent as the target for the transport sector. The means for reaching this target were outlined in the Climate Policy Programme (ILPO) completed in 2009 for the Ministry of Transport and Communications’ administrative branch.

The emission reduction targets are extremely challenging for the transport sector, and they cannot be achieved without effort. The share accounted for by road transport in national transport emissions is approx. 90 per cent. Essential measures for making progress towards the target will include reducing the tonne-kilometres completed, accelerating vehicle stock renewal and introducing low-emission technologies and sustainable fuels. Regardless of the measures taken, transport emissions have been increasing. Without an essential improvement in the impact of the measures, Finland will fail to reach the targets. An intermediate evaluation of the Climate Policy Programme for transport will be conducted in 2012. Achieving the climate-related and environmental targets must also be supported by better cooperation and coordination between various parties and authorities.

Several new initiatives for improving logistics have been put forward and are being prepared at EU level; their aim is to facilitate the use of electronic transport documents and e-services. Another significant initiative is the strategy to reduce carbon dioxide emissions from heavy goods vehicles, in the context of which we must ensure that we can maintain our national competitiveness. Finland must play an active role in negotiations on international and EU-level actions to reduce oil dependence and emissions and contribute to finding cost-effective solutions that ensure smooth-running transport, but also are suitable for Finnish conditions and the special features of the Finnish transport sector. In addition, full use of national energy sources should be made possible. At the national level, we should speed up improvements in the energy efficiency of transport by creating operating models and setting aside funding to support measures that reduce greenhouse gas emissions and promote the introduction of new vehicle technologies by transport sector companies (the so-called energy subsidy for transport).

Financial guidance and information steering

One way of achieving the targets is to increase the market share of public transport in transport modes. At the same time, considerable benefits could be achieved in the areas of other environmental issues, the smooth running of traffic and traffic safety. This would involve developing legislation, financial guidance and information steering, particularly guidance relating to mobility. The current complex taxation and charging system applied to transport does not support decision-making related to the choice of transport mode optimally, as required by climate and transport policy objectives.

Our income tax system contains features that blur the transparency of costs incurred by various modes of transport. The taxation treatment of employer-subsidised commuter tickets, for example, is unnecessarily complicated and fails to promote the introduction of such schemes. By clarifying taxation practices, we could significantly influence the introduction of employer-subsidised commuter tickets and thus the uptake of public transport in large urban regions. The reduction in tax intake that would be a consequence of reforming the taxation practices concerning employer-subsidised commuter tickets could be compensated for by simultaneously examining fringe benefits such as company cars and parking facilities offered by employers. We should reform the entire system so that it would better support environmental and transport policy objectives while retaining the fiscal impacts of the current system.

The overall impacts of taxes and charges on transport and transport services have not been sufficiently studied from the perspective of citizens or companies. When looking at the pricing of traffic, we should also examine various modes of transport in parallel. At EU level, too, the objective is fair pricing of all modes of transport by including external costs and extending the “user pays” and “polluter pays” principles to various modes of transport and removing incentives that have a negative impact on people’s behaviour. Finland must play an active role in these efforts.
New methods and technologies

Utilising ICT as part of the transport system is of primary importance in creating safety, a sustainable, environmentally friendly and efficient transport system. The use of ICT will make it possible to improve traffic safety and environmental friendliness of the system. We must ensure that the national intelligent transport strategy is implemented in different modes of transport and that a sustainable distribution of transport modes is developed. To support the implementation of the intelligent transport strategy, it is vital to set up national trial areas for intelligent traffic in Finland in order to develop innovations, research and the transport system. The trial areas could also be used to promote Finnish exports. Long-term inputs to product development from both the public and the private sector will be required to develop new operating methods and technologies. These new technologies will help to create jobs in industry, business for service production and products for export.

The role of the public sector as a leader in promoting and introducing new technologies should be enhanced. We should ensure without delay that there are no regulative or structural obstacles to the wider use of new modes of travel (ride-sharing schemes, car pools etc.) or to the introduction of advanced low-emission technologies. Open dissemination of public information combined with rapid technical development will generate interactive services of a completely new type, which everyone can contribute to. The public sector also has a role to play in encouraging the market to develop new solutions, and in public procurement of transport services and fleet, emissions and energy efficiency should thus be highlighted as key evaluation criteria. Guidance to support this goal will be prepared by central government, and regulations will be made more stringent if necessary. Cleantech development, including the Finnish electric car cluster, needs references from the domestic market. As a significant customer, the state plays an important role in creating critical mass in traffic, as a result offering consumers more choice and infrastructures that serve low-emission technologies.

In the future, citizens’ travel needs can be influenced by utilising ICT and by promoting the development and introduction of digital services. The content of transport policy has traditionally emphasised the development of transport infrastructures and conditions. However, awareness of the limited resources available to society and an environmental and efficiency-oriented approach combined with ICT development have opened up some completely new opportunities for reducing the need for physical travel. Finnish people today have access to, or at least awareness of, telework, distance learning, e-services, mobile telework, social media and videoconferencing. Even if these operating practices are not traditionally a direct part of transport policy, the consequences of their more wide-spread use will in practice serve all transport policy objectives as well as the objectives of environmental and climate policy. In central government, the utilisation of various telepractices should be increased, as they can be recommended on the basis of both their low environmental impact and low costs.

Capitalising on the opportunities offered by telework and other modern services will require efficient broadband connections with extensive coverage everywhere in Finland. According to a government resolution, broadband connections must be developed nationwide so that by the end of 2015, nearly all permanent residences (over 99 per cent of the population) and permanent premises of companies and public administration organisations are at a distance not exceeding two kilometres from a fibre-optic or cable network delivering a fast broadband connection (100 Mbit/s). In order to achieve this target, the state is committed to subsidising the construction of fast connections in sparsely populated areas where they will not be provided through the market. Experiments with the subsidy system have now continued for two years, and an interim evaluation of its performance has been completed. Certain minor adjustments are to be made to the subsidy system so as to ensure even smoother project implementation.

The significance of the Baltic Sea as a commercial transport route and a valuable natural environment must be safeguarded. Busy tanker traffic and crossing passenger traffic increase the safety risk in the Gulf of Finland. Eutrophication due to a number of causes is another problem. Sulphur emissions from ships are a major cause of the problems observed between drink-driving and other types of social drinking. This figure includes a high proportion of young people. In the flow of traffic, one motorist out of 700 is intoxicated. More than one half of drunken drivers who are caught are heavy drinkers, and one third have been found to suffer from intoxicant addiction. Intervention in this problem will require more stringent measures and guidance, including wider use of alcolock devices, more efficient surveillance and campaigns combined with treatment and support measures for those who have been caught. A link can also often be observed between drink-driving and other types of social exclusion, and the means for reducing the incidence of drink-driving thus be sought on a broad front in all sectors of society.

In addition to developing the infrastructure, we can cost-effectively improve traffic safety by means of surveillance and the incidence of behaviours that are a risk to traffic safety, such as speeding and running red lights, and control acts that undermine the competitiveness of public transport (for example, unauthorised use of bus lanes). Municipalities would take part in traffic surveillance on a voluntary basis, which would require a legislative amendment. At the same time, the provision of sufficient resources for traditional traffic surveillance will be complemented by developing and increasing the level of automatic surveillance. New means for organising traffic surveillance will be sought by developing the sharing of responsibilities and tasks between theELY Centres, the municipalities and the police. By enabling the municipalities to assume a larger role in traffic surveillance, we could increase camera surveillance and thus reduce the incidence of behaviours that are a risk to traffic safety, such as speeding and running red lights, and control acts that undermine the competitiveness of public transport (for example, unauthorised use of bus lanes). Municipalities would take part in traffic surveillance on a voluntary basis, which would require a legislative amendment. At the same time, the provision of sufficient resources for traditional traffic surveillance will bring the state extra revenue and be cost-neutral for municipalities. In order to improve traffic safety, we should also modify the speed limit system. This could also have significant impacts on fuel consumption and the environment. In promoting a responsible traffic culture a key role can be played by traffic education incorporated into the school curriculum.

In the same way as in aviation, rail traffic and shipping, a safety culture oriented mindset and preventive operating methods based on risk analyses should be promoted in professional and licensed road transport. Traffic safety in all modes of transport also features largely in international and EU-level work, and Finland should be actively involved in the preparation of all these issues.

Transport safety

Putting words into action – Road Safety Programme until 2014 is a document containing key measures and policies to improve road safety up to 2020. Key priorities are measures related to driver fitness, behaviour on the road and the traffic safety of urban areas and roads. The Government will issue a resolution on road safety based on the safety programme in spring 2012. The resolution will also include a policy on intoxicant use in traffic. Road and boating accidents caused by intoxicants are a significant problem in the Finnish traffic safety culture. One road accident victim out of four lose their lives in accidents involving drink-driving. This figure includes a high proportion of young people. In the flow of traffic, one motorist out of 700 is intoxicated. More than one half of drunken drivers who are caught are heavy drinkers, and one third have been found to suffer from intoxicant addiction. Intervention in this problem will require more stringent measures and guidance, including wider use of alcolock devices, more efficient surveillance and campaigns combined with treatment and support measures for those who have been caught. A link can also often be observed between drink-driving and other types of social exclusion, and the means for reducing the incidence of drink-driving thus be sought on a broad front in all sectors of society.

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GOVERNMENT POLICIES AND KEY ACTIONS

The development of sustainable fuels, low-carbon vehicle technologies and user-centred forms of travel (including car pools) will be promoted, and new taxation practices and by removing legislative and structural barriers. In the procurement of transport services funded from public resources and in public administration vehicle procurements, environmental and energy efficiency will be applied more stringently as criteria than at present. Annual transport emission targets will be prepared for central government organisations to serve as guidelines in vehicle procurements and as methods used by the organisations in arranging transport.

The introduction of new vessel technologies, more efficient vessel traffic control systems and maritime fuels will be promoted in order to reduce the emission load on the Baltic Sea and to improve its attractiveness. The rehabilitation of ports to receive sewage from vessels will be improved, with the aim of fully implementing the ban on discharging sewage from vessels into the sea.

The resolution will also include a policy on intoxicant use in traffic. Road and boating accidents caused by intoxicants are a significant problem in the Finnish traffic safety culture. One road accident victim out of four lose their lives in accidents involving drink-driving. This figure includes a high proportion of young people. In the flow of traffic, one motorist out of 700 is intoxicated. More than one half of drunken drivers who are caught are heavy drinkers, and one third have been found to suffer from intoxicant addiction. Intervention in this problem will require more stringent measures and guidance, including wider use of alcolock devices, more efficient surveillance and campaigns combined with treatment and support measures for those who have been caught. A link can also often be observed between drink-driving and other types of social exclusion, and the means for reducing the incidence of drink-driving thus be sought on a broad front in all sectors of society.

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GOVERNMENT POLICIES AND KEY ACTIONS

Traffic surveillance will be made more efficient by improving treatment and support measures intended for those with intoxicant abuse problems.

Steps will be taken to ensure and improve safety culture and promote responsible attitudes in all professional transport by means of regulations and voluntary operating models (for example, the introduction of management systems in road traffic).

The assessment of driver health and fitness will be developed, and competence in medical education and in the health care service system.

Living environment

Many environmental impacts and risks caused by traffic are in direct proportion to traffic volumes, and the negative impacts on the climate, air quality, noise and ground water can thus be reduced by influencing transport performances. Noise from traffic impacts the quality of the living environment and reduces its attractiveness. Environmental noise may also cause direct and indirect health impacts. By far the majority of citizens contacting transport administration organisations express concern about noise. Noise abatement measures affecting main corridors and railway lines will have a positive impact on the opportunities for more centralised land use and housing production in central locations.
Reconciliation of land use, housing and transport

Steps in the correct direction have already been taken. The beginning of 2010 saw an organisational reform of regional government and transport administration. At the regional level experiences have been gained on cooperation in business, transport and environmental issues. At the ministerial level there is a need to develop operating methods and guidance in order to create opportunities for closer cooperation, synergy benefits and comprehensive planning in housing, planning and transport. The administrative branches under the Ministry of Transport and Communications, the Ministry of Employment and the Economy and the Ministry of the Environment must be committed to working together and developing their operating practices in a way that ensures more extensive preparation and implementation of urban and transport policy. If necessary, we must also be prepared to examine the needs to reform administrative structures. In this, not only the Ministry of Transport and Communications but also the Ministry of Employment and the Economy, the Ministry of the Environment and the Ministry of Finance will play a key role.

The forthcoming municipal structure reform will enable the planning of regional transport systems and urban structures as larger entities. In the major urban regions, capacity for a more efficient approach has been built through letters of intent concerning land use, housing and transport. These MAL letters of intent also require state funding, but in return, municipalities in the area must make a commitment to develop their land use as agreed. In the letters of intent, it will be necessary to find a consensus, not only on the most urgent transport investments of the next few years but also on the role and organisation of regional management of public transport and traffic. In the future, the scope of MAL letters of intent needs to be widened by integrating them with the planning of service structures and industries according to the principles of sustainable development (MALPE13). The MALPE letter of intent procedure is being piloted in the Lahti region and in the planning of the E18 corridor on the section between Koskenkylä and the Russian border.

Experiment: E18 GROWTH CORRIDOR BETWEEN KOSKENKYLÄ AND KOTKA

Could a road development project produce direct and clear benefits for the companies and municipalities within the project’s scope of influence and for the entire region more efficiently, so as to improve the opportunities for competitiveness, economic growth and well-functioning everyday life in a sustainable way?

During this decade, the state will invest more than half a billion Euros in the construction of the E18 motorway in Eastern Uusimaa and Kymenlaakso. The experiment set out to establish how, through a new type of cooperation between the private and the public sector, the investments could more effectively create competitiveness, work and economic growth for the companies and municipalities within the area of influence of the road.

The experiment was implemented as an extensive, cross-administrative process that took the form of workshops and small working groups in cooperation between the Ministries, the ELY Centres, the Finnish Transport Agency, the Finnish Transport Safety Agency, the border control authorities, the Regional Councils in the area, together with municipalities and businesses.

The experiment generated ideas for new business opportunities along the growth corridor, capitalising on its special features: its status as a motorway, its customer potential generated by the proximity of Russia, the green motorway and intelligent transport concepts associated with the road and the excellent connections to ports all offer companies and municipalities an attractive operating environment with exceptional development potential. During the experiment, a joint regional manifesto was also drafted on promoting the project and its follow-on measures in Kymenlaakso and Eastern Uusimaa.

At the regional level, the launching of this new type of cooperation improves the possibilities to utilise road investment for the purpose of developing business and creating new jobs. Following the joint plan, the corridor will be developed as a whole, also utilising the possibilities offered by the old road. The objective is to create an efficient service corridor that will draw customers. The region aims to be prepared in advance for new demand generated by development in Russia.

Led by the Ministries, the experiment will be expanded into an international growth corridor project. The project aims at joint marketing and branding of the entire corridor in order to improve its international pull and to attract investments to the corridor area. The motorway will be developed as a flexible, new-generation intelligent and green development platform that will support the surrounding society as a whole. Development funding for the project will be applied for from the EU Northern Dimension Partnership on Transport and Logistics and TEN-T corridor programmes. With its world class technological solutions, the intelligent, green growth corridor will serve as a reference for the companies taking part in its development when promoting their business internationally.

The experiment helped to formulate a new operating practice founded on broad-based cooperation, which will enable transport administration, together with other branches of administration and actors in the region, to more efficiently create opportunities for promoting competition among businesses, municipalities and the regions. The application of this practice should in the future be considered when planning and implementing transport solutions of public significance.

8. From efficient practices to the desired results

In recent years, it has been noted in various contexts12 that the current operating methods and tools available to administration are inadequate for promoting the implementation of the objectives of both general public policy and transport policy. Applying conventional operating methods and tools to solving transport problems no longer brings the desired results. What we need is an increasingly cross-administrative approach, the use of versatile means, a customer-centred approach and a participatory operating culture. In its White Paper on transport, the European Commission particularly stresses the need for bold measures in the introduction of innovations and new technologies. Cross-administrative preparation is also needed because the coordination of policies in the preparation work done by different administrative branches varies, and regional administration, for example, is to some extent steered on the basis of conflicting expectations. Implementation has been obstructed by such issues as conflicts between rural policy and transport policy. For example, OECD Public Governance Review of Finland 2010, Eu Commission White Paper on Transport 2011 and the Government Programme of Prime Minister Jyrki Katainen’s Government.

13) MALPE = maankäyttö, asunnominen, liikenne, pakollisuus- ja eksikäyttömallien toimintaedellytykset (land use, housing, transport, service structure and operating conditions for businesses)
The objective of the work on the transport system at the regional level and in urban regions is to create a view shared by the various actors in the area on the status of the transport system, the measures required and their prioritisation. The planning starts from issues relevant to land use, housing and service structure changes. In regional planning, the transport system development policies drafted at national level are reconciled with the needs of the region. Steps will be taken to promote interregional cooperation relevant to the regional structure, transport system development and regional development. The letter of intent procedures relating to transport system plans will further support the productivity of this work.

When talking about traffic safety it is important to acknowledge the fact that road accidents resulting in injuries add to social and health care sector costs and curtail careers. In the future, there will be a growing need for cooperation and analyses that extend across administrative and sectoral boundaries. Priority must be given to the transport system customer – the transport network or service user – in the planning and implementation of services. Inefficiency arising from structures, regulation, unclear division of responsibility or lack of cooperation must be eliminated. Pedestrians, cyclists and public transport customers are user groups whose needs must be taken into account more than ever in planning and implementation.

The challenge faced by contracting agencies is identifying customer needs and converting them into terms of the service level to be procured, while taking the available resources into account. A key role is also played by procurement procedures which contracting agencies can use to encourage companies to develop their expertise, provide new types of services and thus develop and extend their business. The contracting agencies must take a sufficiently long-term perspective in developing procurement procedures to give the actors a realistic opportunity of developing their operations in the right direction. The public sector as a contracting agency plays a key role in terms of developing the markets and the range offered. Transport policy can provide an impetus to create new types of business enterprise and jobs in different parts of the country.

The availability of skilled labour is a future concern in the transport sector. Technological development over the last few decades has contributed to the diversification of skills requirements. Transport sector actors are expected to have ICT skills and an understanding of logistics chains, while transport planners need knowledge of urban planning. The risk is that there will be shortage of employees, especially for jobs in the sectors with lower pay levels. We must tackle these challenges by broadening the range of education and training, by developing pay and by providing good working conditions.

The transport sector needs a comprehensive strategy for developing competence and expertise. R&D activities also play an important role as regards developing competence and expertise, encouraging cooperation and implementing strategic choices in the sector. New expertise will be created through research that produces content for education and training. Education and training will produce skilled employees for a number of transport sector professions as well as experts for the planning and drafting of decisions. In the competition for labour between different sectors, we must make sure that we have a sufficient number of transport professionals and experts in Finland. Investments will be needed in order to build new competences. Finland’s scarce research resources should be targeted selectively, but over a long time span, to produce strong clusters of in-depth expertise. The transport sector does not have a research institute dedicated to this field, and its research and development activities are funded by a number of parties, including the Ministry of Transport and Communications, the Finnish Transport Agency, the Finnish Transport Safety Agency and the Finnish Funding Agency for Technology and Innovation Tekes, and implemented by such parties as the Finnish Meteorological Institute, VTT Technical Research Centre of Finland, universities and higher education institutions and consultants. We need strategic networking of actors in the sector to form virtual research institutes that will bring expertise together, and long-term research programmes to promote more effective development of expertise and to increase its impact.

In the transport sector, formulation of binding regulations has to a great extent been taken over by the European Union and international organisations. In addition, issues that have a direct impact on transport are often discussed in other forums than those specialising in transport. In order to supervise Finland’s national interests, we must focus, more efficiently than today and in a timely fashion, on international lobbying and the preparation of regulations both at EU level and in international organisations. In the drafting of regulations the need for systematic and proactive information exchange with stakeholders must also be emphasised.

Impact assessment of transport and other public policy strategies and programmes will be reformed. The wide coverage of impact assessments associated with transport corridor development investments will be ensured. The assessment will also take into account impacts on the transport system and indirect impacts on society (including emissions, regional competitiveness and employment).

GOVERNMENT POLICIES AND KEY ACTIONS:

Steps will be taken to improve the reconciliation of the operating conditions for transport, land use, housing, services and business on the subregional and regional levels and nationally in the administrative branches of the Ministry of Transport and Communications, the Ministry of Employment and the Economy and the Ministry of the Environment. If necessary, administrative structures will be reformed in order to strengthen this cooperation. Cooperation between different areas of responsibility of the ELY Centres will be reinforced, and their expertise consolidated in order to make more efficient use of the ELY Centres’ role as a supreme regional expert in business, transport and the environment.

As a joint venture between several countries, an E18 growth corridor project will be launched (Oslo–Stockholm–Turku–Helsinki–St. Petersburg). Its aim will be more efficiently to generate opportunities for services and business that support the growth and development of the area through a new type of cooperation between the public sector and businesses. Cross-administrative effectiveness, productivity and expertise

In order to close the public sector sustainability gap, it is not enough to look at issues by sector, since the entire public policy needs improved effectiveness. The consequences of issues and phenomena tend to recur, and the impacts frequently affect other sectors. It is vital that we pay more attention to the diverse, cross-administrative impacts and, on the other hand, that we focus on working together proactively. For example, the regional structure, transport system development and regional development. The letter of intent procedures relating to transport system plans will further support the productivity of this work.

Procurement expertise in the transport sector will be developed towards improving service level and procurement of impacts. We must also focus on the procurement expertise of the competent authorities in the public transport sector in order to ensure that it meets the requirements of the tasks entrusted to the authorities in the public transport act. The Finnish Transport Agency will be developed into a centre of expertise in transport sector procurements.

Impact assessments of strategies and programmes relevant to transport policy and other public policy will be updated, and in the impact assessment of transport corridor development investments and other development solutions, their scope will be extended beyond cost-benefit analyses. The more comprehensive impact assessments will also take into account transport system impacts and indirect impacts on society (including emissions, regional competitiveness and employment).

The availability and competence of workforce in the transport sector will be ensured through innovation, education and training, labour and immigration policies. A comprehensive strategy for developing expertise and competence will be drawn up for the transport sector, and a network of centres of expertise based on partnerships will be established to foster the long-term development of competence in the sector.

Proactive and systematic international lobbying in the transport sector will be developed and promoted together with the stakeholders.
Large and growing urban regions play a key role in Finland’s welfare and competitiveness. The smooth running of journeys to work, school and services is an important factor affecting quality of life. Cooperation between the state and municipalities in urban regions promotes the cohesion of urban structures, efficiency of the transport system and the operating conditions for public transport. The aim in large and growing urban regions is to reduce the need for transport and dependence on cars. The means for achieving this aim include land use, housing and transport. In the future, the scope of MAL letters of intent needs to be expanded by integrating them with the planning of service structures and industries according to the principles of sustainable development (MALPE). A pilot project in Lahti focusing on a transport corridor in the city centre is preparing the ground for the MALPE concept. The aim is to deepen cooperation between the municipality, the state and the private sector in the planning, implementation and funding of city centre development, and to speed up the generation of a joint strategic vision and a macroeconomically advantageous urban structure solution that is in line with sustainable development. Concrete results from the pilot project in Lahti can be expected in 2–3 years.

As regards transport, the letters of intent cover both transport services (for example, using public transport subsidies in large urban regions) and measures relevant to the transport infrastructure. The initial term of the letters of intent is 2011–2012, and they also contain preliminary policy proposals for measures in the subsequent period. In terms of the transport system, the letter of intent aims in particular at coordinating land use and transport activities while promoting sustainable modes of transport (public transport, cycling and walking). The letter of intent procedure supports the productivity of work on the transport system carried out in the region. Extending the MAL letter of intent procedure to other urban regions should be kept open as a positive future option. During the current government term, MAL cooperation in other large and medium-sized urban regions (excluding Helsinki, Turku, Tampere and Oulu) can, if necessary, be treated as part of growth agreements that are being drafted in line with the Government Programme.

State involvement in the MAL letters of intent will ensure that urban region development will be linked to national development targets for land use, housing and transport. The objective is to find comprehensive, streamlined solutions and to use best practices in continuous development work. MAL letters of intent also require state funding, but in return, municipalities in the area must commit to developing their land use and housing as agreed. We need to reinforce the binding nature of MAL letters of intent. The signing of letters of intent should be made conditional on comprehensive joint planning work that aims to create suitable operating conditions for land use, housing, transport, service structure and businesses. Project-specific letters of intent will also be drawn up for major projects together with the Finnish Transport Agency and other parties; these will initially specify the content and funding of the project, along with the responsibilities of both parties for planning, construction, maintenance and use. Public transport in the Helsinki Metropolitan Area has traditionally relied on rail traffic in its different forms. Various forms of rail traffic are also being examined in the Turku and Tampere regions, and state involvement in the specification of needs, planning and implementation of rail traffic systems should be defined in order to clarify procedures for long-term follow-up planning. New rail traffic projects in the Turku and Tampere regions will become topical in mid-2010s. The Government is prepared to commit to signing a letter of intent on state participation in the funding of rail traffic projects of urban regions during this government term. As regards the City Rail Loop, which will serve both local and long-distance traffic, the division of costs between the state and the municipalities will be subject to a separate agreement. During the following government term, the funding of minor transport infrastructure measures in urban regions will be continued in four large urban regions and extended to other medium-sized urban regions (state co-funding in the Helsinki region will total EUR 20 million/year, while funding in other urban subregions will amount to a total of EUR 15–20 million/year). A programme of MAL PE infrastructure projects will be drafted in the urban regions in cooperation between the various actors as part of regional transport system work and further preparation of MAL letters of intent.
Air traffic plays a key role for Finland’s international competitiveness and for the efficient functioning of the transport system. Over long distances, air traffic is a fast and efficient mode of transport for carrying passengers and goods in a global world. Effective air connections increase the attractiveness of the regions.

From the logistics point of view, air traffic has become increasingly important for Finland. While in terms of volume air cargo accounts for a relatively small share of transport, its share in the value is significantly greater. However, the crucial importance of air traffic does not lie in moving the actual goods, but in activities that enable Finnish production and create a demand for the services we provide: in marketing, sales and all other types of communication, the need for which continues to grow. In this role, there is no alternative to air traffic.

In Finland it has been found necessary to ensure an adequate air traffic service level based on the network principle. The 25 airports operated by Finavia and the airports of Seinäjoki and Mikkeli offer a dense network considering the population and surface area of the country. Although the offer of air connections has so far given a relatively extensive coverage, maintaining a dense network of airports is a challenge. Traffic flows are sparse, the profitability of many routes is low and even when examined independently, most of the airports are making a loss. On some routes, there is no competition. The offer of domestic air traffic has reached a turning point at certain airports. As domestic traffic continues to drop at the same time, low-cost airlines have entered the market and are opening direct international connections from provincial airports.

Air traffic is part of the transport system and public transport services, even though in Finland it has traditionally been considered a separate sector in every respect. From the transport policy perspective, the extent and service level of the airport network should be evaluated as part of other transport infrastructures and services. When examining the airport network, we also have to look at connections from airports to urban centres and the commitment of municipalities to offering public transport services.

There are currently more airlines operating in Finland and their offer of routes is currently wider than ever before. However, the most significant development is the expansion of the number and the offer of direct international flights and, to some extent, domestic flights being replaced by road and rail travel. The competitive situation and, to a great extent, the level of activity of the various players determine which airports manage to win a share of the growth and which are left without.

Air traffic management in Europe is based on the independence of national air space, and it is controlled by monopolies of national service providers. The European air space is highly fragmented. In 2008, the second legislative package on the Single European Sky was adopted, imposing an obligation on the Member States to set up functional airspace blocks within three years of the enforcement of the regulation, by December 2012. A functional airspace block refers to a block based on operational requirements rather than national boundaries, in which the offer of air navigation services and related activities is performance based and optimised, allowing closer cooperation of air navigation service providers to be initiated or, whenever this is more appropriate, the use of a single provider in each functional airspace block.

Finland is part of a North European Functional Airspace Block (NEFAB) together with Latvia, Estonia and Norway. The block will be established by an agreement between the states, which is due to be signed in spring 2012. The parties intend to start the block’s operations by the beginning of December 2012. The objective of the NEFAB project is to improve the efficiency of air traffic, improve safety and reduce fuel consumption, while cutting down carbon dioxide emissions. Studies indicate that NEFAB will create benefits amounting to a minimum of EUR 340 million in 2012–2025. These benefits will mainly concern air traffic and the environment. For air passengers, the establishment of NEFAB should be seen in improved punctuality of air traffic and shorter journey times.

**9.2 Air traffic and the airport network**

**9.3 Growth outlook and infrastructure of Russian traffic**

The increasing purchasing power of Russian people and the rapid development of services have made Russia an attractive market in which a number of Finnish companies have been highly successful. Trade partnerships with Russia have offered important growth opportunities for Finnish industrial and logistics companies. After the financial crisis of 2009, transit exports are slowly recovering again, increasing their value by 22 per cent in 2011. The volume of transit traffic increased by 5 per cent from the previous year.

Political and economic development in Russia will have a direct impact on trade relations and on transport and transit transport between the two countries. Russian ports are struggling with problems such as lack of capacity and poor road and rail connections. Finland estimates that goods transport will continue to flow through Finnish ports. The competitive advantages of the Finnish route include safety, availability of storage facilities and added value services, as well as predictable delivery times.

An extended negotiation process on Russia’s accession to the World Trade Organisation lasting 18 years was concluded in December 2011. Russia is likely to join the organisation in summer 2012. For Finland, Russia’s WTO membership will be particularly profitable in terms of a general fall in the levels of customs duties and a lowering of charges for import goods in rail transport to match the level of Russia’s internal charges. Along with the decision on Russia’s WTO membership, and the struggle to improve the accessibility of border crossings, the 2013–2014 new agreement, all border crossing points for rail traffic will be opened for all types of goods transport. The border control authorities have not yet made a final decision on international rail transport. All border crossings need to match the traffic volumes and meet the requirements of international traffic. The equipment at border crossings should be improved; after passenger and goods traffic flows at Vaalimaa border crossing have been separated, special priorities will include extending the road border crossing station at Imatra and the new border crossing station opened at Nuijamaa in 2006.

A new agreement on connecting railway traffic between Finland and Russia, applying to direct international rail traffic between the two countries, is being negotiated, with negotiations for completing the agreement under the new agreement, all border crossing points for rail traffic will be opened for all types of goods transport. The border control authorities have not yet made a final decision on international rail transport. All border crossings need to match the traffic volumes and meet the requirements of international traffic. The equipment at border crossings should be improved; after passenger and goods traffic flows at Vaalimaa border crossing have been separated, special priorities will include extending the road border crossing station at Imatra and the new border crossing station opened at Nuijamaa in 2006.

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Trans-European networks play a major role in ensuring traffic and competitiveness in Europe and the well-being of European people, while also guaranteeing the mobility of goods and passengers. In October 2001, the European Commission gave its proposal on reviewing the policies on Trans-European transport networks (TEN-T) and for the new TEN-T transport network. The most significant reform in the Commission’s proposal was a dual-layer approach to the TEN-T network. The new TEN-T network will consist of a comprehensive network and a core network. The core network will comprise the strategically most important parts of the transport network and form the backbone of the European transport network. According to the proposal, the core network should be completed by 2030 and the comprehensive network by 2050.

Following this proposal, the Finnish core network will consist of the earlier priority projects, or the Nordic Triangle, Motorways of the Sea and Rail Baltic. In the Finnish context, the Nordic Triangle refers to motorway E18 and the rail link from Turku to Vainikkala. The Motorways of the Sea are the maritime dimension of the TEN-T network. The Baltic Sea motorway connects the EU Member States on the Baltic Sea to Central and Western Europe. Rail Baltic forms a traffic corridor from Helsinki to Tallinn and via the Baltic countries to Warsaw. As a new priority connection, the Bothnian Corridor was added to the Finnish network. On the Finnish side, the Bothnian Corridor around the Gulf of Bothnia comprises the main railway line from Helsinki to Tornio and Main road 4 Helsinki-Jyväskylä-Kemi.

For the Member States, the reviewed guidelines mean more stringent technical criteria for transport network implementation. It is intended that the new guidelines will enter into force after 2013. The first stage of implementing the TEN-T core network will take place in 2014–2020. Finland must be prepared to develop the core network sections into a standard meeting the criteria by the end of 2030. If the new Connecting Europe Facility proposed by the Commission is adopted and introduced, Finland will be eligible for TEN-T subsidies for the railway and Motorways of the Sea projects of the core network for 2014–2020. However, no subsidies will be available from this facility for road projects, which will have to rely on national funding. Funding for the comprehensive network will also to a great extent be the responsibility of the Member States themselves.

Transport policy includes target areas and perspectives derived from a large set of societal objectives, with varying levels of specificity and measurability. For the purposes of this report, a frame of reference for assessing impacts and effectiveness was formed by combining features of the transport vision with future challenges described in the report and domestic and international references. Six fundamental target areas were identified: (1) service level, (2) economic growth, (3) safety, (4) climate and the environment, (5) equality and (6) public finances. These can be divided into more specific targets and have further linkages with the policy proposals and measures described in the report. The impact assessments discussed in the report analyse the consequences of the policy proposals and the way in which the proposals will promote reaching the set objectives from the perspective of impacts. In addition, it was assessed whether the proposals have positive or negative effects that deviate from the direction of the objectives.

Service level. The report proposes that in the future, citizens’ service level needs and experiences be used to an increasing extent as starting points for planning and decision-making. This policy will affect the content of planning and R&D activities in the transport sector during the government term. An attempt will be made to break down the silo mentality existing in various administrative branches, to build up networks of actors and, at least partially, to bring the activities closer to the local level. The realisation of concrete results will, however, take time.

The main objective of the transport network development programme (Appendix 1) proposed for the government term is to increase transport infrastructure capacity and to improve the punctuality and cost-effectiveness of travel and transport. An additional objective will be to improve safety, although the environmental impacts are likely to remain minor.

Important service level factors in passenger traffic are the travel time and predictability of journeys as well as the availability of traffic information. The development programme projects with the most significant impacts on these factors will be those serving the high traffic volumes of the Helsinki Metropolitan Area (Motorway 101 Ring Road I and E18 Ring Road III, the Helsinki–Riihimäki railway line and Helsinki railway yard), which will improve the performance, punctuality and safety of traffic. The railway projects in particular will have positive impacts on travel times and their predictability over an extensive area in Finland, as a significant proportion of travel chains extend to the Helsinki Metropolitan Area, and the performance of rail traffic in this area will have an impact on the efficiency of the system nationally. The daily operability on main roads will remain at a good level, and the service level will be developed by both major and minor investments in various parts of the country.

The policy proposal to focus on public transport and promote walking and cycling in urban regions will have an impact on the service level of everyday travel. In the next few years, work to develop public transport will focus on ticket and information systems. During subsequent government terms, the results of this emphasis will start to be seen in an improvement in the rail traffic service level. In public transport between cities, transport services and their pricing will be diversified and a basic service level will be ensured. The incidence of disruptions in rail traffic will be reduced or, at least, disruptions will be dealt with more efficiently. Introducing a consistent ticket and information system will make the system more manageable as a whole. On the other hand, the opening up of competition will increase the number of actors, which may be an obstacle to the development of consistency. To respond to the needs of motoring traffic, management and information services will be developed.
Frame of reference for assessing transport policy impacts and effectiveness

The policy proposal to give taxes and charges a stronger guiding role in transport policy aims to influence people’s choices of travel alternatives. Considering the objectives of changes in pricing, it is obvious that the price of motoring will go up and the transport costs incurred by households. This will happen regardless of the transport policy proposals as subsidies allocated to road traffic are reduced and taxes increased to balance public finances. The extent and regional transport policy aim at preserving the service level of icebreaking and the procurement of icebreakers will be crucial for export transport.

The transport network development programme aims to improve the service levels of foreign trade enterprises by improving the quality of one factor of production (infrastructure). Less funding will be available for maintaining lower-volume roads and minor investments, and in this area, the service level may deteriorate in places. Service level improvements targeting export transport are the most important for economic growth. A strategy that aims at preserving the service level of icebreaking and the procurement of icebreakers will be crucial for export transport.

In urban regions, improving the transport service level will have an impact on accessibility and thus improve the availability of another production factor (workforce). The policy proposals on developing transport services in addition to the maintenance, operation and transport by providing incentives for innovation and promotion will benefit business, as will the opening of new business opportunities, for example in intelligent transport services and in connection with traffic corridor investments. Companies are also increasingly taking part in the planning and funding of transport investments as various new contract models become more common. If successful, these policies will increase the turnover of business operations, improve productivity and increase the added value of the economy. The extent of this impact cannot yet be assessed.

As a main theme, economic growth will benefit if transport policy aims at better productivity by allocating a larger proportion of funding on the basis of need, or demand, to urban regions and to the core network. Improving public sector productivity will reduce pressures to increase taxation, which, as a rule, would undermine the possibilities for business operation. A reform of the taxation and charging system will also have impacts on businesses. The nature and magnitude of these impacts will depend on the details of the tax reform, including how the taxes and subsidies currently targeting goods transport and mobility of labour are rearranged.

The proposal in this report to shift the focus of funding from major network development projects towards traffic investments, maintenance and, in general, to offering a wider range of transport-related solutions will benefit economic growth. The change will take place slowly, and it is therefore important to identify needs and take prompt action.

Safety. The transport network development programme with the Finnish central systems for road, sea and rail traffic, improving the safety of shipping in particular. Road network projects will improve traffic safety in many areas. The proposals of the report also address irresponsible behaviour on the roads and the use of intoxicants in traffic, for example by seeking new operating practices that will enable more efficient traffic surveillance, by introducing new techniques for monitoring drink-driving limits and by promoting traffic education and treatment and support measures for those with a drinking problem. Increased surveillance and lower speeds could rapidly reduce fatalities in traffic. The impacts of awareness-raising will be realised over a longer time span through changing attitudes.

Climate and the environment. The key objective of taxation and charging practices proposed in the report is to reduce greenhouse gas emissions from transport. Pricing changes could potentially reduce private motoring by up to one fifth. The real impact will naturally depend on the nature of the reform to be implemented and the entire system of transport taxes and subsidies. Improving the energy efficiency of public transport services and public procurement targets (including fleet) will not have a significant impact on total greenhouse gas emissions in the short term, but over a longer time span it may encourage responsible action in a wider sense and thus even produce considerable knock-on effects. Measures that improve the energy efficiency of transport services and public procurement targets (including fleet) will not have a significant impact on total greenhouse gas emissions in the short term, but over a longer time span it may encourage responsible action in a wider sense and thus even produce considerable knock-on effects. Measures that improve the energy efficiency of transport services and public procurement targets (including fleet) will not have a significant impact on total greenhouse gas emissions in the short term, but over a longer time span it may encourage responsible action in a wider sense and thus even produce considerable knock-on effects. Measures that improve the energy efficiency of transport services and public procurement targets (including fleet) will not have a significant impact on total greenhouse gas emissions in the short term, but over a longer time span it may encourage responsible action in a wider sense and thus even produce considerable knock-on effects.

Equality. The report actively addresses the issue of equality in the transport system as regards basic service level and accessibility. On the other hand, the report also includes proposals that have negative impacts on equality objectives. In order to uphold equality in different parts of the country, basic long-distance connections will be ensured as far as possible. On the other hand, the service level of regional services will continue to vary in different parts of the country. Equality will also be influenced by the extent to which transport pricing changes the taxes and subsidies currently affecting residents of sparsely populated areas and low-wage commuters.

Public finances. The report’s proposals on improving efficiency address the structural challenges of transport sector funding. Firstly, these proposals will reduce pressures to increase public expenditure on the provision of transport services, thus enabling greater efficiency in maintaining the service level of public transport. A greater proportion of public transport funding will be directed to urban regions, where its impact on such factors as the growth of user numbers will be the greatest. Secondly, better productivity in developing the service level of traffic routes will be sought through cooperation and better planning. The experiments referred to in the report on the development of main road transport in particular, solutions of a new type have considerable potential for improving efficiency. The search for more efficient solutions will continue, especially regarding the planning targets earmarked in the report for implementation during the current government term.

The third structural challenge facing the transport system is increases in transport emissions, congestion and safety problems, and on the other hand, the repair backlog of transport infrastructure. While the report contains several proposals that address this challenge, the one with the highest potential impact concerns the use of taxes and charges as a transport policy instrument. The pricing of transport can help guide current choices in a more sustainable direction in the long term. At the same time, pricing reforms will have an impact on public revenue: increasing a tax or a charge will increase the revenue from this tax directly, while on the other hand it will reduce the revenue from other forms of taxation through changes in consumption.

The traffic route investments amounting to over EUR 1.3 billion to be initiated during this government term will have a direct impact on the turnover, added value and labour input of the network operators. In addition to the direct impact, the investments will generate intermediate inputs in the delivery chain and, further, indirect consequential effects. In all, the transport infrastructure investment will create intermediate inputs of EUR 4.8 billion and raise the demand to be initiated during this government term by a total of EUR 2.6 billion and raise the demand for workforce by 15,800 person-years. Based on the location of the investment targets, the strongest impacts in terms of direct and indirect effects will be felt in the regions of Uusimaa (34 percent), Kymenlaakso (20 percent), Varsinais-Suomi (9 percent) and South Karelia (7 percent). However, the impacts will filter through to large areas, depending on the contractors selected for the projects and their procurement chains.

The implementation of the policy proposals in this report will be monitored during the government term. In addition to policy implementation, transport administration will monitor the development of the transport system status on a continuous basis. The following key indicators and data sources for monitoring can be set for the objectives discussed in this report.
11. Conclusion

The preparation of the Transport Policy Report falls in a period that has been characterised by mounting uncertainty about the future of common European economic policy. It has become obvious that recovering from the recession will take time and that we are facing a long period of slow growth. At the same time, the Government will have to shoulder the responsibility for balancing central government finances in the long term, which cannot be achieved without tightening the state’s purse strings further.

In government budget discussions on 22 March 2012, an agreement was reached on Budget spending limits for 2013–2016 and transport projects to be launched during this period. On the basis of an examination of the current status of transport networks and the wishes of regional actors, urgent development targets amounting to EUR 8 billion were identified for the next few years. During the current government term, the focus will be on reducing emissions, improving traffic safety and implementing vital business projects that will promote growth. Reviving the export sector will play a key role in the recovery of our economy. This will also determine the direction of transport policy. It is not possible to fulfil all the wishes, but an input of one billion Euros in transport infrastructure while the country is facing today’s economic pressures is a major decision that will support positive development of the economy and employment as well as regional development.

In addition to transport investments, this report was expected to identify new instruments for funding the transport system. In order to remedy the shortcomings of the transport network at a faster pace or to increase the volume of investments, it has been suggested that Infra Oy or private investors should be called in to help with the efforts. An analysis conducted while preparing the Transport Policy Report indicated that it will be possible to increase the flexibility of current budget funding to facilitate project management and to ensure that projects can be carried out in a way that is efficient from the socio-economic point of view. The doors were not closed on the possibility of new funding arrangements, but their role must be found alongside normal budget funding and they must support efficient use of this type of funding.

Funding granted to the transport system will always be a compromise between the different needs of society. In spite of the scarce resources, we have managed to maintain the Finnish transport network in a reasonable condition. As this decade draws to a close, the backlog for transport sector funding is likely to be different from today’s situation. One of the long-term objectives of EU transport policy is to apply user charges to every vehicle in the entire transport network. In Finland, a long-term progress plan for transport pricing is being drafted under the direction of Jorma Ollila.

The Government Programme stresses that transport policy will be linked comprehensively and across administrative borders to the framework of economic, financial, employment and regional development. The E18 growth corridor project that is currently underway will be an excellent platform for testing this, as it seeks new perspectives for value production in transport solutions. In a sustainable, user-centred service society, infrastructure, travel and logistics are approached as services and sources of growth, competitiveness and well-being. In this mindset, the corridor becomes a flexible and intelligent platform which, together with the services connected to it, enables innovations and business development and thus supports the sustainable growth and the well-being of the surrounding community. The first steps along this road are being taken right now.

Transport policy is faced with new types of expectations, which challenge us to widen our horizons. A perspective that examines issues by individual sector is no longer sufficient, and we need to improve the impact of our entire public policy. In the context of preparing this report, new fundamental development needs were identified in the procedures for assessing the impact of transport policy – and public policy in a wider sense – which should be addressed during the government term. Systematic development of procedures will support the long-term effect of the policy and the continuity of objectives set, while also enabling both content-related and integrative learning.

The slower economic and productivity growth and cost pressures resulting from the ageing population will force Finland to increase the efficiency of its public sector. The task of central government is to assume its share of the responsibility for ensuring that society functions in a manner that is economically, socially and environmentally sustainable. Typically, productivity growth can no longer be achieved by doing more, but by doing things in a new, smarter way than before. We need administration that has the courage to question our current actions and ways of operating, and the enthusiasm to create new solutions to problems that are increasingly complex and extend across the boundaries of administrative sectors. Administration was not traditionally designed to be innovative but to maintain stability and existing structures. Assuming a new role is a challenge, but by no means impossible.

The new role of the transport administration as a facilitator and producer of innovations will require goal-oriented development of an operating culture that releases hidden potential. This is the future outlook and common interest that this report aims to bring to the fore.
**E18 Hamina–Vaalima–E18, EUR 240 million (PPP project, budget authority EUR 560 million)**

The entire section (32 km) of this road between Hamina and Vaalima will be built as a motorway running to the north of the current road. Five interchanges will be built on this section. The current road will also remain in use. All the work will join the Hamina bypass to be completed in 2014. After this, E18 will be a continuous motorway throughout its length as foreseen by EU objectives, excluding sections on Ring Road III. This project is included in the implementation of a Public-Private Partnership project. The total cost of design, investment, maintenance and funding of the PPP project amounts to EUR 560 million, of which the investment costs at the prior levels of implementation are EUR 240 million. The cost-benefit ratio will be 1.1. The project will improve the opportunities for business operations, trade and tourism between Finland and Russia, as well as the smooth running and safety of traffic on a road section with a significant load of heavy goods traffic.

**E18 waiting area for lorries at Vaalima, EUR 25 million**

Vaalima is the busiest border crossing for traffic across the Finnish-Russian border. In order to reduce queues of lorries, the waiting area for lorries at the border crossing has already expanded, and a waiting lane for heavy traffic has been built on Main road 7.

In this project, a waiting area for 500 lorries will be built to the south of the border crossing. A traffic control system, lighting and necessary basic services will also be built in the area. The road plan will enable further enlargement of the area to take 1,000 lorries. A charge for using the area is planned for traffic flow improvement.

**Main road 3 Tampere–Vaasa (at Lahti), EUR 20 million**

Phase 1 of this connection project, an intersection of Main roads 3 and 18 will be built at Lahti.

Measures of phase 1 of the project are part of the development of Main road 3 from Tampere to Vaasa, and the construction projects also include a 4-lane bypass in Hämeenkyrö, bypasses around key urban settlements, new roads with multiple lanes, as well as parallel roads and interchanges. The cost of the entire project concerning this section will be EUR 185 million. The cost-benefit ratio will be 1.6. The project as a whole will enable the development of land use in urban settlements. Separating the driving routes and constructing interchanges will improve traffic safety and the smooth flow of traffic on this road section.

**Main road 5 at Mikkeli, EUR 20 million**

On Main road 5, the section between Pitkäjärvi and Visuhtii will be converted into a four-lane road, interchanges will involve interaction with users and businesses. Any cost savings resulting from a less complex planning solution can be allocated to starting the Lahti-Kouvola section on Main road 12.

**Main road 6 Taavetti–Lappeenranta, EUR 90 million**

The service level of Main road 6 on the Taavetti-Lappeenranta section will be improved. The plans for this section will be reviewed to find a cost-effective, optimal and user-centred solution. Brainstorming to find a solution will be open and will involve interaction with users and businesses. Any cost savings resulting from a less complex planning solution can be allocated to starting the Lahti-Kouvola section on Main road 12.

**Main road 8 Turku–Porvoo, EUR 100 million**

The service level of Main road 8 on the Turku-Pori section will be improved. The plans for this section will be reviewed to find a cost-effective, optimal and user-centred solution. Brainstorming to find a solution will be open and will involve interaction with users and businesses. Any cost savings resulting from a less complex planning solution can be allocated to starting the Lahti-Kouvola section on Main road 12.

**Repairs of areas with ground frost damage and soft soils on main railway lines, EUR 85 million**

Sections where rail safety needs to be improved are found almost everywhere on the rail network. In this project, ground frost damage will be repaired at the most critical spots, to be specified in the planning stage.

The project aims to improve the safety and punctuality of train traffic and to ensure that the stability of railways and railway infrastructure will be improved. Trains meeting the new European standards expect the railway bed to heavier loads.

**E18, development of Ring Road III (interchange of Lentoasemantie, improvement of the Lahdentie–Porvoonväylä section), statutory government contribution EUR 110 million**

Lahdentie–Porvoonväylä is a heavily congested, light-concealed level crossing with a daily load congested in both mornings and afternoons. The short entry and exit ramps of interchanges obstruct smooth entry and exit from Ring Road III. The smooth running of traffic is also impeded by top speed acceleration lanes at bus stops.

Priority measures of this project include improving the section between Lahdentie (Road 4) and Porvoonväylä (Road 7). Between Lahdentie and the interchange at Hakunila, third lanes will be built, and new ramps will be built at the Porvoonväylä intersection, after which the left turns and traffic lights on Ring Road III will be eliminated. The interchange at Lentoasemantie on Ring Road III will be improved by building extra ramps. The light-controlled level intersection of Lentoasemantie and Tikkuurintie will be replaced by an interchange. Bus ramps and stops will be improved. A traffic management system will be implemented between Ring Road III and Porvoo. The estimated cost of these measures will be approx. EUR 110 million, of which the state’s contribution will be EUR 110 million. The project will contribute to the capacity of the corridor and the smooth flow and reliability of traffic.

**Riihimäki triangle line, EUR 10 million**

The aim of this project is to build the Riihimäki Triangle Line from the direction of Kouvola towards Tampere over a distance of approx. 1.5 km, which will enable direct and flexible operation of goods trains between the busiest railway marshalling yards on the rail network. Currently, trains have to be directed to the goods yard at Riihimäki, due to the change of running direction. The cost-benefit ratio will be 1.1. The project will reduce the number of train manoeuvres and make traffic operation more efficient. Building the triangle line will reduce the need to invest in railway yards.

**Improvement of the rail connection Ylivieska–Isalmiti–Kontiomäki (electricity), EUR 90 million**

The project consists of the electrification of the Ylivieska-Isalmiti rail section, construction of the Isalmiti triangle line and future arrangements to ensure a smoother flow of traffic. The cost-benefit ratio will be 2.

The project can help to increase the capacity of the railway, facilitating the transportation of calcinate together with Taivivaara mine traffic. Operation costs will be cut. The greatest savings will be obtained through the Isalmiti triangle construction of the Isalmiti-Isalmiti section, especially in the export transportation of industrial products. Electrification of the Ylivieska-Isalmiti section will reduce carbon dioxide emissions from trains.

**Rauta fairway, EUR 20 million**

The project comprises the dredging and depositing of soils in connection with deepening the current 10.0 m Rauta fairway, as well as aids to navigation required for marking the fairway. In this project, the fairway depth will be increased to meet the requirements of a navigation depth of 11.5 metres. The cost-benefit ratio will be 2.1. The project will improve the economy of long-distance transport of paper, raw material transport and container traffic.

**Motorway 101, improvement of Ring Road I, state share EUR 35 million**

Ring Road I (Lönnström–Itäväylä) is the road subject to the worst congestion in the Helsinki Metropolitan Area. Due to its high traffic volumes of 25,000–100,000 vehicles a day, the traffic is highly vulnerable to disruptions. Long, stationary queues are seen on Ring Road I on a daily basis, and the road is very prone to accidents.

Improvement of Ring Road I will be made at several sites. The most urgent one for these for the smooth running of traffic on Ring Road I are the following: construction of an interchange at Kivikonle, building additional lanes on Ring Road I on the stretch between the Espoo boundary and Viidinhäntä (Motorway 120), and implementing phase I arrangement improvements at the Hämeenlinna–Viljandi (Main road 3). The estimated cost of this project is EUR 50 million, of which the state’s contribution will be EUR 35 million.

The Ring Road I improvement project also comprises the construction of the Itäväylä interchange, to be implemented later. The cost estimate of the entire project is EUR 175 million.

**Capacity improvement on Helsinki–Riihimäki railway section (Kyrölä–Jokela, Riihimäki), EUR 150 million**

In this project, two additional sets of tracks will be built between Kyrölä and Jokela, and track arrangements that will increase will be made at stations. The entire project of increasing the capacity of the Helsinki–Riihimäki section will also include the construction of one set of tracks for goods traffic on the Hyvinkää–Riihimäki section. Additional tracks will also be built from Kyrölä to Jokela, as well as in the direction of Kerava-Lahti direct line. The cost estimate of the entire project is approx. EUR 150 million. The cost-benefit ratio will be 1.0. The opportunities for developing the provision of train services will increase and the flow of traffic in the event of disruptions will improve. The supply of commuter trains can be increased to four pairs of trains an hour between Helsinki and Riihimäki.

**Competitiveness and well-being through responsible transport**

**Appendix 1:** Transport network development programme 2012–2015, project descriptions...
Raw timber terminals, EUR 40 million

Th project consists of minor investments in the existing loading areas for raw timber (20 sites). In addition, terminals will be built, the most urgent of which are the Kemijärvi terminal, the expansion of the Kontiomäki terminal and extending the track at the Kittel terminal. This project is part of the development of biofuel and raw timber transport, which involves not only the improvement of raw timber terminals but also of sites exposed to ground frost damage and weak bridges on road transport routes. The cost estimate of the project package is EUR 120 million. * 

Main road 22 Oulu–Kajaani, EUR 45 million

Main road 22 will be widened at Oulu on the Joutsentie–Imatra section to comprise four lanes, and new ramps will be built at the interchange of Ilmati. The intersections of Pokiskimäntie, Oulunlahdentie, Heikinlähentie and Madekoski will be improved. The road will be widened on the Utajärvi–Vaala and Vaala–Paltamo sections. Overtaking lanes will be built at Pikkaranta, Hyytikää and Kivesvaara. Intersection and cycle path arrangements will also be implemented at Oulu, Muhos, Utajärvi, Vaala and Paltamo, and ground water barriers will be built at Vaala.

The smooth flow of car traffic will be improved especially in the urban region of Oulu, and on other sections with high volumes of traffic, traffic fluency will remain at least at the current levels despite the increasing traffic volumes. Traffic safety will be improved on the main road and at intersections.

Main road 4 at Rovaniemi, EUR 25 million

In this project, the four-lane section will be extended to Oijustie, interchanges will be built at Oijustie and Vierustie, noise barriers will be built and pedestrian and cycle path arrangements implemented. The project is part of developing Main road 4 at Rovaniemi. In the entire project, the plan is to extend the current four-lane section of the road to the south and to replace intersections on the whole section with interchanges. The cost estimate of the entire project is EUR 60 million. The cost-benefit ratio will be 1.4. The fluency of traffic on the road and the associated street network will be improved.

MAL project packages (state contribution EUR 30 million, municipalities EUR 30 million)

The basic objective of the letter of intent procedure in land use, housing and transport is to create integrated, viable and competitive urban regions. It is of key importance to target measures promoting a sustainable urban structure at areas where the changes will have the highest impact. The programme contains minor actions relevant to coordinating land use and transport as agreed in the MAL letters of intent to be drawn up with four large urban regions.

The funding will amount to EUR 60 million, which will be allocated as follows: Helsinki region EUR 30 million and the regions of Turku, Tampere and Oulu EUR 10 million each. The state contribution to funding will be 50 per cent, and the municipalities will commit to investing a similar amount in the implementation of the measures and other land use and housing solutions as agreed. The state contribution will be funded from basic transport infrastructure management.

Renewal of road, sea and rail traffic control systems, EUR 90 million

Road, sea, and rail traffic in Finland is controlled 24/7, mainly by technical systems. In the development of road traffic, priority is given to management of disruptions and the overall situation on the roads, in shipping, safety and exchange of information between the different parties involved, and in traffic planning, punctuality and more efficient control operations. The project of renewing the control systems comprises ICT system projects related to developing the road, sea and rail traffic control systems, as well as equipment and service procurements. The project must be implemented as a whole, but it can proceed in steps. The project will enable more efficient utilisation of the transport network and a better supply of information services in cooperation with other actors.

The cost estimate of the project is EUR 90 million, of which rail traffic accounts for EUR 31 million, road traffic for EUR 30 million and sea traffic for EUR 29 million.

Improvement of the efficiency of Helsinki railway yard, EUR 100 million

This project comprises the procurement of a new railway interlocking system and implementation of an ETCS system. The railway interlocking system has not yet come to the end of its life span, but the renewal process will take some 10 years and it must be initiated in the next few years. The measures will help to reduce disruptions to train services in the Helsinki area.

Development of connections to mines; projects of high industrial policy significance

Decisions on these projects will be made separately.

Luumäki–Imatra double track and improvement of the connection from Imatra to the Russian border (cost estimate EUR 380 million), planning and design, EUR 10 million

Goods trains from Russia to Finland currently mainly enter via Vanijärvela. There are plans to open a new international border crossing station at Imatra and to develop the Imatra border crossing so that it would be suited for other traffic than raw timber transport. The focus of transport from Russia to Finland would in this case shift from Vanijärvela to Imatra.

Significant changes to improve capacity must be made on the Luumäki–Imatra railway section to ensure smooth operation on the line as traffic volumes rise. Equipping the section with a double set of tracks will be the most efficient way of increasing its capacity. The connection from Imatra to the Russian border should also be developed.

The cost estimate of designing the Luumäki–Imatra double track and the improvement of the railway from Imatra to Russia is EUR 10 million.

Appendix 2: Transport network development programme 2016–2022, planning targets

In 2016–2022, the Government is committed to the implementation of the following key projects (approx. EUR 1,300 million):

- City Rail Loop, Helsinki EUR 750 million
- Capacity improvement on the Helsinki–Riihimäki railway section, phase 2 EUR 200 million
- Luumäki–Imatra double track and improving the connection from Imatra to the Russian border EUR 380 million

As regards other targets, the list for 2016–2022 is intended as a programme that guides the planning efforts, describing important sites that require development in the transport network. Steps will be taken to bring the plans for these targets to completion, and further planning efforts will assess alternative solutions and the opportunity to utilise a range of measures. The nature of the programme also enables rapid response, for example to important new projects relating to industrial policy and new priorities. The cost estimate of implementing the planning programme targets totals some EUR 2.2 billion.

The sites included in the ten-year programme also include the project for Savonlinna town centre, phase 3. A decision was made to postpone the implementation of this target in connection with the spending limit discussions on 22 March 2012. The project plans are ready to be implemented.

Other targets of the planning programme (approx. EUR 2,200 million):

**Improvement of key corridors (road, rail, waterways) (EUR 900 million):**

- Main road 3 Tampere–Vaasa section
- Main road 4 Jyväskylä–Oulu section
- Main road 4 Oulu–Kemi section
- Main road 5 Mikkeli–Juva section
- Main road 9 Tampere–Orivesi section
- Motorway 101, improvement of Ring Road I
- Motorway 10, improvement of Ring Road I
- Kokkola railway

**Helsinki region transport system (EUR 700 million):**

- Motorway 101, improvement of Ring Road I
- E18, development of Ring Road III
- Minor, cost-effective projects in the Helsinki Metropolitan Area (KUHA)
- Helsinki Metropolitan Area metro projects (discretionary government grant 30 per cent)
- Espoo urban railway

**Other improvements of main roads and railway network (EUR 200 million):**

- Ensuring biofuel and raw timber transport
- Electrification of the Hyvinkää–Hanko railway section
- Other improvements of the main road network (targets to be specified)
- Other improvements of the main railway network (sites to be specified)

**Other projects in urban regions (EUR 300 million):**

- Tram and local train traffic in Tampere and Turku (discretionary government grant 30–50 per cent)
- MAL project packages of urban regions (discretionary government grant 50 per cent)
- Other projects in urban regions (targets to be specified)

**Traffic control investments (EUR 100 million):**
1. If this is allowed by the state of central government finances, additional funding must be allocated to basic transport infrastructure maintenance during the budget planning period. In that case, particular attention should be focused on minor projects that promote the smooth running and safety of traffic. Over the long term, additional funding should be reserved for basic transport infrastructure maintenance that will ensure the adequate condition and necessary development of the transport network, as well as a reduction in real terms of the repair backlog of the ageing transport network.

2. In cooperation with municipalities and road maintenance associations, an overall financial and legislative solution must be found for the maintenance and development of the lower level road network and private roads that will ensure more adequate funding for the lower level and private road network and clarify the responsibilities of various parties.

3. The competitiveness of trade and industries in Finland compared to our competitors must be improved by lowering logistics costs. In particular, the possibilities of introducing a refund system of the diesel tax increase for professional transport should be investigated.

4. The opportunities brought by economic growth in Russia must be more empathically taken into consideration in the national transport policy, and they must also have higher visibility in national formulation of positions related to EU decision-making.

5. The transport sector must reach the transport emission reduction targets set for Finland, for example by promoting the use and development of the latest vehicle technology and sustainable biofuels. In addition, the use of hybrid and electric cars should be promoted, for instance by developing the charging infrastructure and investing in domestic innovation and product development activities in this sector.

6. In cooperation with key representative associations, national lobbying in connection with the preparation of transport policy decisions that play a key role for Finland must be made more effective and put into a sharper focus both in the EU and in various international decision-making forums.
Appendix 4: E18 Growth corridor between Koskenkylä and Vaalimaa

E18 Growth corridor between Koskenkylä and Vaalimaa

Could a road development project produce direct and clear benefits for the companies and municipalities within the project’s scope of influence and for the entire region more efficiently, so as to improve the opportunities for competitiveness, economic growth and well-functioning everyday life in a sustainable way?

Current status and challenges

The Koskenkylä-Vaalimaa section of E18 was selected as the target area for the experiment because of the many opportunities it offers. Planning of the easternmost section of the motorway is still underway, and the construction of the Koskenkylä-Kanka section was launched recently. Passenger traffic originating in Russia is already showing strong growth, despite Russia’s future WTO membership and the possibility of visa-free travel between Russia and the EU will also affect the development of traffic. The target corridor is the largest customer potential, the “green motorway” and the “intelligent transport concepts” associated with the road combined with the existing connections to ports offer companies an attractive operating environment with an exceptional number of development opportunities. The E18 road corridor has good potential to develop into a significant, well-functioning transport corridor between the EU and Russia with a high standard of services.

Experiment

The experiment was implemented as an extensive, cross-sectoral initiative, in cooperation with the Regional Councils of municipalities and businesses in the area. The process took the form of small groups and workshops, involving the participation of some 100 people. Responsibility for the practical leadership of the project was assumed by the ECC Centres of Southeast Finland, and the steering group included representatives from the Ministry of Transport and Communications, the Ministry of Environment and the Ministry of Economic Affairs and the Environment, the Finnish Transport Agency, the ECC Ylivieska, and representatives of the regional Councils of municipalities, and municipalities.

The purpose of the experiment was to test the possibility of creating new, cost-effective solutions for the transport development of the area, so as to make it more competitive and improve the quality of life in the region.

Conclusions and follow-up measures

As a result of the experiment, a new mode of operating was developed, in which transport administration together with other stakeholders from the Ministry of Transport and Communications, the Ministry of Environment, the Finnish Transport Agency, ECC Ylivieska and representatives of the regional Councils of municipalities, municipalities and regions.

The application of the experience and the analysis of the results will be part of the cooperative planning and implementation of transport solutions of cross-border corridors.

The success of the close cooperation in the three areas of road, rail and water has created the conditions for the implementation of the planned transport development. The E18 road corridor is a significant growth corridor in the region, and Russia will bring new, international business and logistics to Finland.

Government policy

A joint venture between several countries, an E18 growth corridor project will be launched (Oulu-Stoettischen-Järva). Its aim is to be more efficient in generating opportunities for services and businesses that support the transport development of the area through a new type of cooperation between the public sector and business.

Cooperation between different areas of responsibility of the ECC Centre and the E18 Corridor Board is needed in order to make more efficient use of the ECC Centre’s role as a directional body in transport in the E18 region.

Appendix 5: More cost-effective development solution for Main road 12 from Lahti to Kouvola

More cost-effective development solution for Main road 12 from Lahti to Kouvola

Would it be possible to find a development solution for this road section that is viable and more cost-effective than the earlier plan and that improves the smooth running and safety of traffic sufficiently?

Current status and challenges

If the current situation persists, growing traffic volumes will result in an increased number of various road accidents and fatalities, congestion on this road section will increase, and commercial transport will move to other routes. In 2007-2011, 96 accidents resulted in personal injury took place on this section, of which 6 were fatalities and 44 resulted in injuries. It is expected that by 2040, the traffic volumes will have gone up by 40-45% per cent on this connecting road, depending on the section. The volume of motor traffic could at minimum be reduced by 5 per cent by improving public transport (train, bus), but this would have only a minor effect on alleviating the current situation on the main road.

The current development plan, which envisages a standard almost equivalent to that of a motorway, is too expensive (EUR 176 million) that there is no reason of funding for its implementation in the present situation. Planning solutions for the whole project would not limit the road user costs considered to be out of scale in view of current needs, and Nastola, Ilmavirta, Kouvola and the regional Council of Kymenlaakso thus proposed that the plan should be reviewed in order to accelerate its implementation.

Experiment

The ELY Centre of Southeast Finland is responsible for leading the experiment; its steering group comprises representatives of the Ministry of Transport and Communications, the ECC Ylivieska, and representatives of the regional Councils of municipalities, and municipalities.

Conclusions and follow-up measures

By means of joint conceptual planning, it was possible to nearly halve the cost estimate, to eliminate one separation tunnel and to significantly improve the cost-efficiency of the project. It is only likely that a project costing 15% of the original amount will be implemented, and consequently its benefits to society and the environment will be in the same order of magnitude as those of the original planning solution. It is valid that a similar procedure be followed in other road section projects in the future. By examining the road sections in a uniform way and as smaller sub-sections, problems can better be identified, and the usefulness of the measure can be improved.

At the national level, a greater number of improvement implementations are planned, and the impact of the measures can be improved.

Government policy

Developing the sections for road sections to be implemented in the next few years will be reviewed to find the best possible development solutions and to determine an appropriate rate for the measures.
New concepts of passenger services funded from public resources

Could the organisation of passenger services funded by society be better co-ordinated and more cost-effective, while the service level improves?

Current status and challenges

In 2010, approx. EUR 650 million of reimbursements for special transport services were paid out by society, and those costs go up by approx. 8–10 per cent every year. Unless measures are taken to enhance those activities, it is estimated that the annual total of reimbursements will in current values amount to at least EUR 1.4 billion by 2018. Reasons for the soaring costs include the ageing of the population, the centralisation of municipal services, the general increase in transport costs and shortcomings in the cooperation and procurement of transport. Various municipal and central government authorities purchase transport services following the guidelines of the Ministry of Transport and Communications, the Act on services and assistance for persons with disabilities (perusministeriön sekä yleisemmällä selvityksellä), the Act on special care for persons with intellectual disabilities (perusministeriön sekä yleisemmällä selvityksellä), the Basic Education Act and the Act on health insurance (perusministeriön sekä yleisemmällä selvityksellä). Only some of the passenger transport services make use of public transport services that are supported by the municipalities and available to all. Cooperation between the actors is inadequate due to legislative restrictions and boundaries between administrative branches, among other reasons.

Experiment

In this experiment, Kouvolan, as it was described in 2009, became the first city in a number of cities that formed in 2009 as the result of a merger of six municipalities. The project steering group included representatives from the Ministry of Transport and Communications, Kouvolan City Centre, the project steering group, and the Environment (EVL), the Finnish Transport Agency, and the Association of Finnish Local and Regional Authorities. The project began with a discussion on the theme of Kouvolan, started developing a passenger transport system as part of a programme to develop the finances and productivity of the new town. The country has developed a supporting cooperation between the various administrations and increasing the share of public transport available for all by introducing demand-responsive public transport services. The aim is to increase the proportion of public transport accounts taken care of by public transport, to improve the cost-effectiveness of the transport system and to provide improved services for the elderly and persons with restricted mobility.

The development of productivity is limited not only by the practices of various administrative sectors, but also by the fact that due to the current legislation and funding systems, special transport services, in addition to transport reimbursed by the Social Insurance Institution, is to a great extent provided as individual taxi journeys, for which there is an increasing need. The town’s measures to promote open public transport and demand-responsive transport services will not reduce the responsibilities or expenditure of the town. The productivity benefits achieved by making the system more efficient would thus mainly be transferred to the Social Insurance Institution, which, unlike the town, is not seeking to joint benefits by combining transport or by using public transport. Significant benefits could be gained by combining journeys reimbursed by the Social Insurance Institution and those reimbursed by other public bodies.

Key results

In the future, passenger transport should be planned for the entire sub-region in cooperation with all parties, and competitive procurement and contracting systems should be developed. Outstanding obstacles and interpretations that artificially restrict efforts to make passenger transport more efficient should be removed from the legislation, for example as regards the division of boundary areas. The support system for passenger transport purchased with public funds should be reviewed as a whole, to ensure that it steers the parties involved towards service solutions that are economical, rational and acceptable for the users.

Conclusions and follow-up measures

In the future, passenger transport in the region should be planned and provided more efficiently as part of the entire system of passenger transport services to avoid service deficits. If the procurement and planning of transport services in the region is improved, it is estimated that by 2010, the amount of reimbursements paid out by society could be reduced by about 10 per cent compared with the projected EUR 1.4 billion. In other words, if the measure is successful in the 2010 situation, the situation at the end of the 2010s is a EUR 100 million annual savings.

Government policy: passenger transport funded from public resources, including travel to basic education, social and health care, and the Social Insurance Institution and public transport support provided by the Social Insurance Institution and public transport support provided by the Social Insurance Institution and public transport support provided by the Social Insurance Institution and public transport support provided by the Social Insurance Institution and public transport support provided by the Social Insurance Institution and public transport support provided by the Social Insurance Institution in transport policies for populated areas.

Appendix 6: New concepts of passenger services funded from public resources

Appendix 7: Key factors in service level and improvement needs of the rural transport network

Which are the key factors in the service level of rural transport, and how can this service level be ensured as cost-effectively as possible? What are the transport network development needs from the perspective of rural industries, forestry, services, companies and short-distance logistics?

Current status and challenges

In terms of rural transport, the road network owned and maintained by the state and private parties comprises the most important traffic corridor. As traffic volumes decline, similar efficiency targets can no longer be set for maintaining the network as for busier corridors. The condition of the unpaved road network is significant for rural industries, including agriculture, forestry and tourism. The service level of the low-volume transport network does not satisfy the users.

Experiment

The ELY Centres of Central Finland and Pohjois-Savo, together with the Finnish Transport Agency, analysed the service level factors in rural transport and identified current development targets for the rural road network, utilizing their cooperation and cooperation agreements for service level and transport needs assessment, as well as the feedback system.

Key results

The study carried out at the three most important key customer groups for reference in dimensioning the measures, through which the service level will be defined: these are core material suppliers for forestry/the energy industry, basic agricultural production and the rural travel needs of permanent residents. The criteria for the classification and quality of roads with low traffic volumes should be specified in cooperation with residents, taking variations dependent on time and place into account, and the service network and the environment should be redesigned in the advisory service and licensing decisions for industrial activities at the ELY Centres.

Shortcomings in the service level of unpaved roads are caused, especially in Northern, Eastern and Central Finland, by poor road conditions in the spring. The problem affecting the paved road network with high traffic volumes is deterioration of the roads’ load-bearing capacity and damage to the surface of main roads, which impedes road maintenance especially in the winter. The difficulties of winter maintenance result in traffic opening problems and uncertain transport in places. Repairing unpaved roads, which is important for rural transport, would require additional funding of some EUR 15 million annually. Expanding customer-controlled targeted maintenance would require at least EUR 10 million in additional funding annually.

Conclusions and follow-up measures

In conclusion, the development of the transport network is relatively successful in allowing for the different needs of various people in different types of traffic, including the transport and allocation of measures. Cooperation with the forest sector, for example, is being developed, and the tracking and allocation of measures takes into account important routes for forest transport and recreational uses in traffic, as well as peak traffic seasons for tourism transporters and the various modes of industry. Regardless of this, the users are not satisfied with the situation. Measures aiming to make the transport network denser, for example, can be made more efficient by using such facilities as geographic information systems and by providing online information for users, for example on the routes and timing of rural transport.

In line with the Transport Policy Report, the responsibilities of local and regional actors will continue similarly, the various systems and principles for substantive measures will be clarified, and the relevant legislation will be updated. In this way, the needs of rural living and business can be combined in the allocation of discretionary government grants, also in the case of private roads.
Appendix 8: The national MALPE+y project on Lahti station area

The national MALPE+y project on Lahti station area

Is it possible to achieve closer cooperation between the municipality, different central government actors and the private sector in the planning, implementation and funding of urban development to arrive at a solution that reinforces the vitality of the city and is macroeconomically advantageous while implementing the government’s strategic goals?

Current status and challenges

The station area is one of the most important areas of growth and development in the City of Lahti. High in demand, and the number of state enterprise headquarters alone in the area is five. Key landowners are the state (Finnish Transport Agency, the VR Group, Senate Properties), Kouv Oy, Kouv Länken Kuntakeskus Holkasta 13 / Pasi Tullila, KOU IRCs Akuo Tod/calo Kontturi Oy and the City of Lahti. It is estimated that the area will be developed in the coming years. The railway station area and the entire urban structure of the City of Lahti. An essential challenge in developing this area has been the synergy of the city’s southern main road 12.

Experiment

The MALPE+y project is associated with a larger planning project on the station area, which comprises an international conceptual design competition concerning the area and the ensuring planning and design process. The planning project focuses primarily on an area located along the railway line through the City of Lahti (that is, some 300 m wide and 2 km long (approx. 1.3 ha)). The entire area under scrutiny is larger than this, however, totaling more than 100 hectares.

In line with the City of Lahti strategy, the station area will be developed as an example of an ecologically sound and energy-efficient working and residential area. Its traffic arrangements will prioritize cycling, walking and public transport and minimise car traffic.

The aims of the MALPE+y project include:

1) to develop new types of planning practices and, based on a conceptual design competition, to prepare a strategic development plan that combines the objectives of land use, housing, transport, development of business services and as well as environmental objectives.
2) to find a new type of operating model for urban development cooperation between the municipality and the state for reaching various interests and goals for the long term
3) to implement the state’s real estate strategy and the general interest of the state, which are not only financial impacts but also other societal perspectives will be taken into account, including cohesion of urban structures, life cycle thinking, sustainable development and energy efficiency.
4) to develop agreements between municipalities and the state, especially the drafting up of letters of intent (proposals, MALPE+y), and targets for their application.

Key results

In addition to developing the actual area, the project aims to produce results that can be generalised and utilised elsewhere. These include in particular:

1) a new type of planning process that takes into account land use, housing, transport, services and businesses
2) deconstruction of the problems encountered in development cooperation between the city, landowners and the state and the various of the various interest parties as well as development planning, city planning, negotiation and agreement model between the city and the state.

The results will be described in the final report of the project.

Appendix 9: Park-and-ride

Park-and-ride

Would it be possible to find an operating model for accelerating the construction of park-and-ride facilities in large urban regions, thus reducing the number of cars entering urban centres?

Current status and challenges

There is no specific party that has responsibility for park-and-ride facilities. The general principles of an implementation, maintenance and funding model are lacking, which is why the construction of new facilities is slow and uncoordinated. The greatest needs for park-and-ride facilities are in the centres of suburban municipalities, where land values are also the highest. In bus transport, there is a need to develop park-and-ride facilities for new terminals or express bus stops.

Experiment

The main idea is to create models for the implementation sharing of responsibility and funding of park-and-ride facilities and bicycle parks at the terminals and nodes of rail traffic and other public transport as a cooperative project involving the Finnish Transport Agency, municipalities, Helsinki Region Transport, the ELY Centres, agents, transport operators, landowners and businesses. The objective is to create a context model for arranging park-and-ride facilities near stations, with defined responsibilities for implementing the project and co-funded by the beneficiaries (state, municipalities, other landowners, transport operator, entrepreneurs). In this model, the increase in land value resulting from station area development will be targeted / securitized for investments in developing park-and-ride facilities to the extent agreed. As a pilot site, the area of Kauniaisten station in the Helsinki Metropolitan Area was selected.

Key results

The park-and-ride project at Kauniaisten, the City council decided not to zone space for a grocery store in connection with the plans for the park and ride facilities. The building rights for other uses than park-and-ride facilities that were discussed in the negotiation phase were rather limited to begin with, and the majority of the costs of the park-and-ride system would thus in any case have been borne by the public sector. In terms of the financial interests of Kauniainen, an excessive proportion of the beneficiaries would have come from Espoo. In negotiations between the landowners (the City of Kauniainen, the VR Group and the Finnish Transport Agency), it was agreed that the City of Kauniainen will plan and implement a car park in the area at its own cost as a temporary solution, using an area owned by the Finnish Transport Agency for parking. Later on, city railway tracks will be built in the area. In connection with the planning of the Espoo-Lapinlahti city railway line and before its implementation, the area will be developed further as an attractive park-and-ride solution and part of the park-and-ride system of the Helsinki Metropolitan Area.

Conclusions and follow-up measures

Attractive park-and-ride facilities combined with commercial services is a project that benefits all stakeholders and all residents in the urban region. The benefits for trade will also be considerable, as station area areas among the most attractive trading locations. New services can be developed in connection with the park-and-ride facilities that would make people’s everyday lives easier and draw them to public transport, thus reducing private motorising in urban centres. A requirement for operating park-and-ride facilities partly, by profits funding is that the municipality will reserve new building rights in the area for the station area.

It is also in the station’s interest to co-fund park-and-ride facilities, as they will reduce the investments needed for access routes, the costs of congestion and greenhouse gas emissions. For this reason, simultaneously with this experiment an operating concept is being created where the needs for park-and-ride facilities are assessed and the implementation of the required area and site solutions are included in all significant traffic control investment projects. This has already been done in the case of the Ring Rail line project.

A co-funded model for the Helsinki Region Transport area will be prepared under the leadership of the City council to cover the operating concept, the parties involved and funding. To enable a development planning park and ride facilities, they will have to be specified as part of the public transport network. The parties involved and funding will be specified.
Appendix 10:
Supporting the elderly and persons with disabilities living at home

What types of new communication possibilities could be used to support the elderly and people with disabilities living at home, and to ensure a safe and stimulating environment for them?

Current status and challenges

People live longer; the baby boom age groups are retiring; and there are fewer and fewer people working in the service sectors. At the same time, a majority of the ageing population would like to live at home for as long as possible. Ascertaining technical skills advance, our capacity to use online services improves. To support the ageing population and enable special groups, including the persons with disabilities, to live at home, many types of services exist and are being developed; these services may be ordered through an information network, but implementing the actual service or product requires physical transport (for example, meal services, distribution of medicines, delivering shopping, taking care of basic examinations in the health care sector).

New types of services can be used to support the capacity of elderly people and persons with disabilities to live at home independently, safely and comfortably. At the same time, reducing transport needs. From the customer’s perspective, the availability of services and the opportunity to live at home is facilitated. There are now ways for family members to keep in touch. The attraction of rural municipalities and their possibilities for organizing services will be maintained, also from the viewpoints of the ageing population, and the equality of residents will be improved. The new services will make the municipal employees’ work easier.

Conclusions

A joint decision and common lesson need to be formulated in order to promote this issue, preferably at the national level. Legislation and operating practices must be developed and change in order to create service packages that make sense for the customer.

Appendix 11:
Trafisafe

Is it possible to use intelligent transport technology to develop a device which would automatically give feedback on driver behaviour and steer it in a more responsible direction and which would be sufficiently interesting to motivate parents to take an active part in their children’s learning process?

Current status and challenges

The incidence of traffic accidents involving recently qualified drivers has not declined in the last few decades. The safety trends in particular with regard to new drivers is constantly deteriorating compared to European safety trends. Parents have no resources for participating in their children’s learning process at the beginning of their driving career, a period during which young drivers are at the greatest risk of accident in their driving careers.

Experiment

A project was initiated to develop a background system (modelling of driving behaviour) and a method for providing feedback (mobile user interface) that automatically gives feedback on the driver’s behaviour in traffic. The project was initiated as an R&D project, and the first results of user studies of the device used as the testing platform, the background system, and the user interface will be obtained in 2012. In 2013, the experiments and development will continue in Austria.

The principal questions are:
1. Will the increased volume of feedback change the behaviour of new drivers into a more responsible direction?
2. Will the device offer functionalities and features that are interesting enough to motivate parents to use it?

Conclusion

Trafisafe will technically be ready for testing late this spring, and the results of the experiment will be available in 2013. Based on the results, the opportunities of introducing the background system for wider use and to producers by commercial actors will be assessed. In the future, the great task will be associated with the production and marketing of the system. To motivate parents to use the device, it should be made interesting (user-friendly, attractive) and prepared in cooperation between the public and the private sector as a mobile service package associated with the car safety and the environment.