

Transport

Policies and progress on transport access, including access for the rural population and low-income households

The newest long-term strategy of the Ministry of Transport and Communications Finland, Transport 2030, was completed in March 2007 (<http://www.lvm.fi/fileserver/transport%202030.pdf>). On the basis of the strategy the Ministry submitted a government transport policy to Parliament in April 2008. The main objective of transport policy is people's well-being in Finland. Essential journeys and business-related transport operations are carried out both nationally and internationally every day, providing people with a good quality of life, making business competitive and injecting life into the regions. Travel and transport are safe and the transport system is ecologically, socially and economically sustainable.

Accessibility is an important goal of Finnish transport policy. People have to get to school and work, go to their hobbies and activities, go shopping and meet friends every day. The aim of the policy is that the transport system offers everyone a reasonable service and is easy to use. Everyday travel for work and, increasingly, for leisure should function well, smoothly, without delays and safely. At the same time, the objective is to have a travel culture where short journeys are made more and more on foot or by bicycle. In urban areas daily travel is easy using public transport. It is very important for the whole journey chain to be successful.

Good accessibility helps business to function and contributes to the quality of life. Large urban areas, particularly the capital and its metropolitan area, act as the drivers for the success of Finland's national economy. The municipalities and state government ensure that transport systems in the major urban areas continue to function as the cities expand. Connections to regional centres and the capital also function well. There are also good connections from the regions to airports, ports and border-crossing points. The regions' internal transport systems meet the needs of business and provide accessibility to daily services: journeys are easy and transport operations are flexible.

Public transport in Finland promotes the achievement of numerous social objectives.

It furthers regional and social equality in respect of transport and reduces the reliance on private cars. The Government subsidises the transport services to hold down the prices of commuter tickets. The Government also subsidises the costs of some flight and train connections on those routes where there are only a small number of passengers.

By law, municipalities are responsible for planning and providing transport services if such services are needed for education purposes and for reasons of health and social services. Students, pensioners and conscripts are entitled to fare reductions.

Workers get some deduction in taxation for the monthly costs of commuting between their homes and places of work. This is important for those who are living in rural areas.

Fuel prices and tax reform

Removing subsidies on fuel

Taxation of fuel is high in Finland. The structure of taxation has been such that those who drive a lot are encouraged to buy diesel cars for environmental reasons.

Encouraging energy efficiency

Car taxation was reformed in Finland in 2007 and the reform entered into force in 2008. The tax on passenger vehicles was differentiated according to vehicle-specific emissions (CO₂/km). With the new tax, the tax rate varies within a range of 10% to 40% of the taxable value: thus, the minimum 10% is levied on cars emitting 60 g/km or less and the maximum 40% is levied on cars emitting 360 g/km or more. The reform decreased the average carbon dioxide emissions of vehicles registered in 2008 by around 8% in comparison to 2007. Steps will be taken to improve the effectiveness of the reform by developing an ecolabelling system. The aim is that in 2009 the symbols of A through G used in home appliances will also be applied to cars.

The Vehicle Tax Act was also reformed at the end of 2007. The principle used in the car tax was applied to the vehicle tax, too: the basic part of the tax was differentiated according to the carbon dioxide emissions of each vehicle. The annual level of taxation will vary between EUR 20 and EUR 605. The minimum rate will apply to cars emitting 66 g/km or less and the maximum rate to cars emitting 400 g/km or more. Public transport vehicles are exempt from the annual vehicle tax. The reform will enter into force in 2010 once the information systems enabling differential taxation have been implemented at the Vehicle Administration.

Energy efficiency and the reduction of carbon dioxide emissions are also the main objectives of the long-term transport strategy "Transport 2030". Measures have concentrated on sustainable transport planning in conjunction with urban land use planning. There are two valid energy efficiency agreements in the transport sector: one for goods transport and logistics, and one for public transport services. These were reformed in 2007 and 2008 to comply with the requirements of Directive 2006/32/EC of the European Parliament and of the Council on energy end-use efficiency and energy services. The aim of the agreements is a 9% improvement by 2016 in energy efficiency of enterprises that will adopt the agreements. For private vehicle drivers there have been some eco-driving campaigns. Additionally, the driving licence examination includes a part on eco-driving.

Providing reliable alternatives for low-income households

According to the Ministry of Transport and Communication's Transport 2030 strategy, everyone has the opportunity to make their daily journeys on their own terms, easily and without hindrance. The transport system does not only work for the masses and the strong. Social sustainability means that the benefits and problems of the transport system are distributed as evenly as possible between all groups of the population. It is not possible to provide the same level of service to everyone everywhere, but everyone should have access to a reasonable level of service.

In practise, there are discounted rates for children, students, pensioners and conscripts in Finland.

Value-added tax for public transport services is now 8% instead of 22%.

Integration of regional and local transport systems encourages efficient modes

In 2007 the Ministry of Transport and Communications started an extensive reform of the passenger transport legislation. The objective is that public transport services could be planned as regional systems across municipal borders. This would improve the level and attractiveness of public transport services for the user.

In order to maintain a basic level of transport services the Ministry of Transport and Communications purchases transport services in areas where these services are commercially inviable, mainly in rural areas. Through the Government budget, public transport has been subsidised by around EUR 80–85 million a year. In addition, municipalities subsidise their local public transport.

State aid for public transport services in large cities was introduced in 2009. The purpose of the aid in large cities is to increase the popularity of public transport in densely populated areas. In 2009 the aid amounted to EUR 5 million.

Urban transport planning and policies

Almost half of all Finns now live in ten major urban areas. However, the degree of urbanisation in Finland is low compared to most other European countries. Internal migration is continuing, and urbanisation is the future of a networked, competitive Finland. The growth in urban areas is concentrated in the suburbs and the surrounding communities, and these areas are increasingly distant from services and jobs. In growth centres the urban structure is fragmenting. Journeys to work are getting longer and car-dependent lifestyles are becoming common. The central challenges are reducing dependency on the car and slowing down or stopping urban fragmentation.

The Ministry of Transport and Communications has recently published a new Public Transport Action Plan 2009–2015 “Better everyday mobility through improved public transport”

http://www.lvm.fi/c/document_library/get_file?folderId=339549&name=DLFE-7222.pdf&title=Julkaisu%2019-2009 (in Finnish only, abstract in English).

The goal of the public transport action plan is to increase the importance and status of public transport policy and to define concrete short- and medium-term measures with which such players as the state, municipalities and transport operators can increase the attractiveness of public transport and enhance the standard of passenger service. The action plan can be used in the development of an integrated comprehensive public transport service that will be easy to use by all passenger groups.

The role of the Ministry of Transport and Communications and the bodies responsible for the infrastructure is to promote transport considerations in planning by other government bodies and actors. It is important that municipalities and the state government develop a common understanding of the importance of improving the transport system in response to changes in the urban structure, a common will to stop the process of urban fragmentation, and a way to work together to achieve these targets. The main tools are the regional and local master plans, as well as urban and transport system plans for the renewal of municipal and service structures. In large urban areas it is important to develop a network where local centres offering day-to-day services are connected by strong public transport links.

The planning of regional transport systems has to develop so that transport and land use planning are better integrated. Land use planning has to give more consideration to effects on traffic and the split between different modes of travel. Regional or local transport system plans have been drawn up in nearly 100 Finnish municipalities.

Vehicle efficiency and emissions policies

The Climate Policy Programme of the administrative sector of the Ministry of Transport and Communications was completed in March 2009. A target for vehicle efficiency and carbon dioxide emissions was set in this programme. The target is that in 2020 the specific emissions of new cars sold in Finland would be near the EU objective of 95 g/km (the current level is around 163.5 g/km) and the rate of vehicle fleet renewal would be around 7% a year. The goal with regard to the entire vehicle fleet is that by 2020 the average carbon dioxide emissions would be 137.9 g/km at the most (it is currently around 180.1 g/km). This means that the specific emissions of the Finnish vehicle fleet would be reduced by a third.

Transport technology research and development (public sector and private)

The results of R&D are the foundation of the Ministry’s vision, goal setting and strategy implementation. Projects provide the basic information for generating ideas and directing operations at different stages of the Ministry’s decision-

making processes. The results are applied to a high degree in transport and infrastructure policy and information society and communications policy. In 2008 a total of EUR 5.8 million was allocated for this purpose. This sum was multiplied because of financing cooperation with the administrative sector and interest groups. The annual number of projects amounts to 200.

Construction standards for road, rail and marine systems and changes in these standards, in anticipation of climate change impacts (sea-level rise, and increased frequency and severity of weather events)

According to the Climate Policy Programme of the administrative sector of the Ministry of Transport and Communications, adaptation to climate change is another main goal besides the reduction of greenhouse gas emissions in the transport sector. The aim is that climate change will not lower the current level of service in transport and communications. In order to reach this goal, the Ministry's administrative sector will update its instructions about transport infrastructure construction, maintenance and management, outline an action plan for exceptional circumstances and invest in research. The administrative sector will also monitor and take advantage of the possible new opportunities offered by climate change (for example, how will a longer period with no snow influence the popularity of walking and cycling, and how will a shorter ice-covered period affect shipping).

The need for capacity building in assessing transport activity and for analysing integrated planning (e.g. urban transit, congestion relief, non-motorized transit, developing vehicle efficiency programmes, assessing fiscal incentives, inter-modal freight management systems)

The objective in developing transport systems and corridors is to secure a more cost-effective, long-term level of service for passengers and transport by combining different approaches. Along with investing in infrastructure and increasing transport services, effective mechanisms to manage demand will also be adopted: harmonising land use and transport, managing demand for transport and influencing people's attitudes and behaviour. Securing service levels through small steps in development increases flexibility and provides some leeway in the event of changes in the operating environment. It also enables the effective use of new, intelligent technologies. *The four-step principle* aims at resolving transport problems quickly, cost-effectively and with more attention paid to the customer than traditional development, which mainly focussed on large infrastructure investments.