

**The position of Budapest on the
Future of Transport
Urban aspects of EU Transport Policy
23 March 2009**

1) The importance of urban transport

As a preparation for the Brussels conference on the Future of Transport the Commission issued a very informative Focus Groups' Report (The Future of Transport, 20.02.2009). This Report emphasizes the importance of urban areas, highlighted by the forecast that the proportion of urban population will increase from 72% in 2007 to 84% by 2050.

Compared to this very high share, relatively little has been written in the Report directly about urban transport problems and solutions. This might refer to a kind of uncertainty in the Commission about the topic of urban transport. One of the questions prepared for the panel debate in the March Brussels conference on the Future of Transport (To what extent are cities really separate from the rest of the transport system?) reflects this.

The position of Budapest in this question is very clear: urban transport is and should be handled as a special, separated issue within the larger topic of transport. Although the territorial extension of urban transport should go beyond the city borders and should cover the functional urban area around the core city, the transport issues of the urban areas (in optimal case covered by metropolitan transport association) are very different from the larger scale transport issues.

The Report describes thoroughly how hard urban areas will be hit by the processes of the upcoming decades (ageing, climate change, assessed 56 million immigrants by 2061). For these reasons transport will become in the future even more a central question in urban areas, both from the perspective of sustainability (transport should ensure high quality of life in sustainable way), and from the perspective of competitiveness (transport should ensure the smooth mobility of people and goods).

As the Report illustrates, the present functioning of transport in large urban agglomerations is causing in many regards very problematic outcomes:

- transport is responsible for 1/4 of GHG emissions, the largest share of which is caused by road transport, within which urban road traffic accounts for half of the pollution; furthermore a large share on non-renewable energy is demanded and used by the transport sector;
- road congestion, which is mainly an urban phenomenon, is seriously hampering competitiveness, causing a loss in the magnitude of 1% of EU GDP,
- for the urban residents transport (being the second largest household expenditure item) is an important and expensive issue, both regarding the time and costs related to it, and this will become even more so if considering the very likely future price increases of the non renewable energy sources.

Both the problems of the present functioning of transport in many European countries and the growing challenges imply that radical changes are needed in the way urban transport is organized.

2) Transport problems and opportunities common in all European urban areas

From the Report many important statements can be derived, which are more or less valid for all European urban areas.

- Urban places are the main nodes in the transport system of larger areas. In these nodal points the links between the different transport providers (local urban transport companies vs. multi-national long distance transport providers) of different size and ownership have to be optimized.
- Financial regulations, such as taxes, charges and emission trading systems should ensure the internalization of external costs of transport, while keep the free choice of users regarding transport modes. Only real prices, which fully reflect costs, can lead to economic efficiency.
- In the case of new developments (commercial, industrial, office, housing, etc.) above a certain size, the planning process should include as a compulsory element the preparation of a mobility audit, the results of which should be taken into account in the locational decisions, within the framework of strict land use policies.
- On the top of all these measures, in the most dense urban areas – besides the improvement of public transport services – the application of special mobility management tools, such as green zoning and urban road pricing should be considered.

Budapest fully agrees with the central statement of the Report: sustainability requires a policy created break in the present mobility development trends. This is even more true in dense urban areas. Here, however, the policy change is especially difficult, as serious obstacles have to be taken into account. Sustainable development objectives may jeopardize short term competitiveness objectives and are therefore not easy to get accepted by local decision-makers. Moreover, the over-arching transport problems of large metropolitan areas can not be solved individually by the smallest administrative units in decentralized and fragmented settlement systems.

To overcome these very serious difficulties, Budapest suggests two innovative approaches.

- On the one hand, attempts should be made to consider the present financial and economic crisis not only as a problem but also as a potential for new opportunities regarding the future of urban transport. In many countries and urban areas the further development of urban public transport could be a good option for publicly supported and initiated economic investments which create jobs and simultaneously contribute to the addressing of the growing climate change problems (through decreasing the need to use individual car transport). This would require the speeding up of new developments (and of renewal of existing infrastructure) in the area-wide urban public transport systems.
- On the other hand, it is clear that for a change in the present unfortunate mobility development trends strong public interventions are needed. The present problems and future challenges of urban transport are too big to believe that technological development alone can be a solution. (Of course the development of new technologies should be supported and these should be spread out across the whole of the EU – taking into account the economic realities and the geopolitical conditions of the countries.)

The needed public interventions can only be achieved in an optimal cooperation between the European, national, regional and local levels. All these levels have to take their share in creating a positive approach for future urban transport in Europe. The new framework for urban transport should be created for metropolitan (functional city-region) areas and should mean optimal circumstances for the private actors to become interested to invest into infrastructure and to the consumers to become interested to change their behaviour towards more sustainable transport.

Besides creating vertical, multi-level cooperation in urban transport issues, also horizontal cooperation is needed, which is especially important in this topic. The Commission should aim for better inter-sectoral cooperation in urban transport issues, creating more effective cooperation between DG Regio, DG Tren, DG Environment. Such a cooperation is also a must in the European Parliament.

3) The special case of urban transport in the new member states

The analysis of the Report does not pay enough attention to the differences between the old and new member states. In the latter the four decades of socialism resulted in huge backlogs in some types of infrastructure (e.g. roads, highways and telecommunication) while the fixed-track infrastructure (train and tram lines) from the earlier periods have largely been preserved – without proper maintenance but at least not destroyed as in many western cities in the ‘modernist’ 1960s and 1970s. As a result the new member states have different starting positions to address the problems urban transport is facing in the EU countries: not the need for extensions of the fixed-track network is most pressing but the maintenance and improvement of the existing lines and rolling stock. How to achieve similar, advantageous outcomes from the different starting positions – this is a question which needs specific answers.

In the post-socialist period, since the 1990s the central governments constantly decreased their financial contribution to urban public transport. In most of these countries the local transport departments of the ministries were terminated or their power has decreased, while the sub-national (regional) level of public administration was too weak to take the responsibilities over.

Due to the decrease in political priority and in state subsidies, the standard of urban public transport has been declining. In many urban areas tram lines are closing down, the usually 40-50 years old rolling stock is quickly becoming obsolete, travel time grows. As the gap between available resources and necessary investments is growing in public transport, while the usage of private cars is increasing, the modal-split is deteriorating.

These unfortunate changes are very similar to the tendencies of Western-European cities in the 1970’s and 1980’s, with the threat that transport policy may lead to similar mistakes, taking the decreasing popularity of public transport as an excuse for increasing the support for road constructions.

As in the post-socialist countries the financially exhausted local governments can not solve the growing problems of deteriorating public transport alone, national governments should be encouraged to take up some responsibilities for urban transport again. Not only higher central contribution to the financing of urban transport (both regarding ongoing functioning and new development) would be needed but also support for the preparation of integrated urban development strategies and support for strengthened co-operation between the city and its agglomeration (transport association).

The European Commission should help this procedure through political guidance and by supporting dissemination and implementation of European good practices. In this way the issue of urban public transport will reach higher priority within the national and regional governments.

Besides that, there is also need for some refinements in the eligibility rules of the Structural Funds. Due to the special situation of the cities in the central and eastern European countries, the purchase of new rolling stock and the renewal of existing rolling stock should become eligible for EU support in case of improving the existing tracks, without the requirement to extend with new constructions the existing tramway or railway network. This extended eligibility regulation should cover both the urban and suburban fixed track transport modes, provided that these are and remain for a pre-determined period of time in public ownership.

4) The understanding of subsidiarity in European urban transport policy

While subsidiarity should remain a basic principle, the European Union could and should take more active role in shaping the future of urban transport:

- As in many European countries urban transport is often a neglected issue on national level, the Commission should create incentives for the national level to strengthen cooperation across disciplines. The EU should strive for urban and suburban transport to get the necessary attention, institutional and financial background on national and regional level in all member states.
- The Commission should develop, summarize and actively support principles of basic importance, such as the strengthening of integrated planning in urban regions, creating link between spatial development and transport planning, strengthening transport associations, internalize the external costs of urban transport, giving special attention to innovative transport management tools.

The key role in urban transport is, will and should be played by the local and (to some extent) by the regional governments. Strategic decisions should be based on area-wide integrated mobility plans, the preparation of which should be supported by the Commission. In the longer run the existence of such plans should be put as one of the conditions for the eligibility for the Structural Funds.

The urban transport situation differs in the old and the new member states in many aspects. Due to the mounting problems, but also to the special opportunities, the cities of the new member states particularly need incentives, guidelines and financial support from the European Union in order to be able to achieve higher priority to urban and suburban public transport. In this regard the Action Plan of the Transport Green Paper would be very much and very urgently needed.

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