PREPARATION FOR THE "TRANSPORT POLICY AND ENLARGEMENT" CONFERENCE IN BUDAPEST, 21-22 MAY 2001

HUNGARIAN ANSWERS ON THE PREPARED QUESTIONS

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1. Common transport policy, EU-accession negotiations and "aquis communautaire"

> *"EU transport policy will change by the revision of Common Transport Policy (CTP) in 2001, by integrating economically, socially and environmentally sustainable development into transport policy and by enlargement.*
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> *In view of their accession to the EU the candidate countries have to align their national legislation to the "acquis communautaire" in the field of transport policy by liberalising all transport modes and harmonising certain environmental, social, safety and competition rules within this sector. The progress made by the candidate countries in this field is monitored by the European Commission."*

1. The transport networks have to create a well balanced multi-level net within the different countries

There is a fundamental misunderstanding in adapting CTP to the transport policies of the candidate countries. Namely, the CTP, as its name also shows, deals but with the *common* issues of the transport of the EU member states. As the target was to create *single network to the single market*, the CTP deals basically with the formulation of *overlay networks* that connect *existing and well-developed* national net-

works of single countries. Any further development of the internal main and secondary networks of the single member countries follows the subsidiarity principle and belongs to the responsibility of the given member state.

The situation is totally different in the case of most candidate country, where the internal transport networks are generally underdeveloped, poorly maintained, partly missing, or destroyed. In such a situation at least as big priority should be given to the development of the local, internal transport networks as to the creation of the inter-regional overlay network. Still the EU pression gives an almost exclusive priority to the development of the inter-regional level, following from the fact that this level is the subject of the Common Transport Policy of the EU. Such a situation can create a massive disappointment in the candidate countries, when they realise, that although they follow the instructions and support the construction of the inter-regional networks at even over a rational level, the expected economic results would not arrive to their countries due to the lack of the proper main and secondary internal networks that would transmit the positive effects to the single settlements and to the people. The result may also produce a significant asymmetry in the operation of the inter-regional networks, pumping much more advantage to the developed area, where there exist good background networks, while helping less in other area without this proper background.

That is why it is not enough to just revise the CTP of the EU, but the approach needs another analysis, namely, that in the different candidate countries how big proportion of the national transport policy and the related infrastructure financement can be spent to the inter-regional level, if they don't want to create a wide split between the circumstances of the in-country transport and of the high level through transport.

As for the integration of socially, economically and environmentally sustainable development, formally four of the seven pillars of the present CTP deal also with these "new" ideas: *respect for the environment, highest safety standards, social policies, and developing relations with third countries*, – so the revision must first of all pose the question why these pillars were still neglected.

> *"What are your concerns/demands about the EU-accession negotiations of your country about*
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> - *(a) environmental standards for road and air transport,*
> - *(b) safety of road transport,*
> - *(c) river transport (where applicable)*
> - *(d) social implications for the employed in the transport sector,*
> - *(e) state aid (access to and quality of service) in public transport,*
> - *(g) liberalising railways ?"*

(a) It is not a question that the proper environmental standards have to be introduced and applied. The question is that at what pace the new standards have to be implemented. A too sudden change that would phase out an almost total domestic transport sector is not tolerable (only for the concurrency). That is why a planned itinairaire is necessary, with a previsable gradual change that makes the future calculable.

(b) At the beginning of the transition period in all candidate countries the accident rates showed a harmful change, the earlier level came back only after several years. Especially in the case of the road safety, two critical sites are the inbuilt area of the settlements and the other parts of the national road system. A main important necessary development is to construct by-pass sections along the settlements and by that avoid the conflict between the traffic of the main road network of biggest traffic and the life in the settlements. The construction of high level TINA corridors does not substitute and solve this problem consequently the improvement of the traditional road network serving the majority of domestic car trips can not be considered as a task of secondary importance.

Within the cities the development of traffic calming areas can teach car drivers to find the role of the car in the urban milieu.

(c) The role of inland navigation in goods transport is big (20-40%) in a few coastal EU member-state, where there are wide mouth and delta sections of rivers, and where there were constructed extended canal systems already in the 18-19 century. This level of inland waterways is a positive endowment, but can not be followed by countries that are far from the same geographical and historical position.

For Hungary the navigability of the Danube and partly the Tisza rivers are important and it is a fundamental task to maintain this navigability. As for a significant improvement of the circumstances (with huge investments) we always have to compare that with the improvement of the rail network: as the two transport modes compete more or less for the same type of goods. In Hungary the railway corridors fit better to the main transport flow directions, the rail also gives a better coverage of the whole country, so a kind of upgrade development seems to be more urgent for the rail network, always assuring good logistical exchange possibilities at the river crossing points of this network.

(d) The good maintenance and development of the major rail lines, the maintenance and improvement of the main and secondary road network, that of the urban public transport, the gradual and previsable changes in environmental standards are all measurements that take into consideration both the social situation of those employed in the transport sector and the social consequences for the users of the transport services. Similarly the promotion of the calmed traffic zones for dense urban areas that offer better life conditions in these zones also offer an improvement in the social conditions of the touched area. All these developments promise to maintain the em-

ployment level and to maintain a good provision level for the inhabitants, contributing by that to a better social milieu.

(e) It is a basic principle, that public transport has to be a main transport mode within extended urban areas and a significant mode in intercity transport. This position can only be assured by a good quality and attractive public transport, that is able to attract those middle class people, who otherwise have a choice, namely who could also use private car. Such competitive-in-quality and attractive public transport is never cheap, neither for the providers, nor for the users. It is a basic misunderstanding that a public transport system can be made competitive by assuring low tariff and general access. A priority of the public transport has to cover also legal, technical, regulation tools and measurements, and pricing is only one tool among the others.

Only after giving a clear picture of the above principles we can turn back to the question of the state aid. It is a general experience in developed cities, that even an effective public transport is never able to cover all its expenses, some kind of municipal or state aid is needed. Two main point is to be underlined here: a good regulation have to assure that the public transport company can't become interested in the increasing of the financial support at the expense of the service offered, – while another good regulation have to assure that the support could be balanced by incomes coming from other transport modes.

Especially relating Budapest there is a long debate on the role of the underground in the urban public transport. While the underground has an important role in connecting remote districts of the city, there is a danger, that a kind of urban transport planning tend to try to clear the surface from all kind of "troubling" public transport and by that open the surface for cars. It is important to underline, that as part of the a good quality public transport, it is the urban surface, that this transport have to occupy. It is the task of different priority measurements to assure the good service quality of the public transport just on the urban surface.

(f) As for the railways, it has to be stressed that the most important and obligatory task was and is *to make possible the calculation of different operations by a clear accounting system*. The separation of the infrastructure and the commercial railway companies is one possible step to assure that calculation, but not the only possibility. A next step is the liberalisation of the railways and to assure an access to a third party to the infrastructure. In this case "third parties" are interested in high level infrastructure and safety equipment, while domestic railway company is interested, that the development of its rolling stock be proportional with the infrastructure development, and be able to use its advantages. In the practice this means, that the pace of the upgrade of the remaining infrastructure and rolling stock determines the timing of the practical liberalisation of the railways.

2. Designing and financing transport infrastructure / "TTEN's" and "TINA"

> *"The guidelines of TransEuropean Transport Networks (TTEN's) of July 1996 will be revised in 2001. The implementation of the TTEN's within the territory of the candidate countries has been agreed on the basis of the TINA (Transport Investment Needs Assessment) conclusions. For investments in the transport infrastructure the EU is expected to provide financial support via ISPA. Other co-financing resources are coming from i.a. the European Investment Bank."*

It is important to underline, that the plans for TEN was already decided in the late 80s, before the changes in the iron curtain happened. The reaction on the changes was an extension of the TEN towards the east, started from 1991. This extension, that became the fundament of the TINA network (in 1994 Crete and 1997 Helsinki) started from the logic of an existing TEN network and did not use the same principles in the eastern part of Europe, that were used when creating the TEN in the western side. From the TEN-extension point of view the east-west corridors were important, while the links between the transition countries (north-south corridors) generally of secondary importance. For example between Slovakia and Hungary to the east of Bratislava there is a 500 km border section, that was without any linking corridor.

In the TINA process many such problems emerged, and the TINA countries themselves got the right to suggest further TINA elements into the network (with a financial limit: the total investment cost must not exceed the 1,5% of the expected GDP of the country). Still there is a rank difference between the elements proposed by the EU as the extension of the TEN network (these are the backbone elements of first priority) and the elements proposed by the TINA countries themselves (these are the "additional elements" of secondary priority).

ISPA and other co-financing assistance from the part of the EU now first of all promote the construction of the *network elements of first priority*, that is the elements that assure the extension of the TEN towards the east. While different EU conferences and workshops try to focus on the amount of the money and the conditions the accession countries can achieve that money, there is relatively less conversation takes place on the physical side: whether the network to be constructed really fits for the needs of the eastern part of Europe.

> *"What are your observations about (a-d):*
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> - *(a) the choice of corridors and transport modes in your country within TINA and the role of spatial planning, transborder regions or regional jobs' creation (even with relation to the development of sustainable tourism),*

- *(b) the European, national, regional decision making (structures) on choices of financing transport infrastructure,*
- *(c) the level of participation of local and regional authorities, social partners and NGO's in programming, deciding, planning and evaluation of infrastructure projects,*
- *(d) the environmental impact (application of (strategic) environmental assessment) of these infrastructure projects ?*

(e) Which prior changes are in your opinion necessary in the revision process of European infrastructure policy ?

(f) Is there any example or approach for intermodal integrated transport infrastructure policies in your country ?"

(a) The above-described TINA process fixed a Budapest centred Pan-European network in Hungary. There are debates how that network helps regional development within the country (my personal opinion is that it creates satellites to the capital rather than well-balanced regions of growing independence). It is even clearer, that a bigger independence in the regions would promote better to a transborder co-operation. Also, a better connection between transition countries would promote co-operation between them.

(b) A promise of a support in the financing of certain elements of the transport infrastructure can make the governments interested in not debating the structure of the network, just accepting anything that is given. Sometimes those officials dealing with the financement side doesn't even see the regional consequences and long-term effects of a given transport structure. Another problem is that the extent we are closer to regional or local level, the local decision-makers feel better the importance of the secondary and local networks. They hardly able to transmit to EU level that point and in the enlargement process there is an extreme dominance of the TEN-TINA level networks.

(c) A wide participation is assured for different local and civil organisations, but there seems to be also a pression, that basic facts have to be considered as decided. It is very important that civil organisations be able to articulate clearly the problems (to the publics), and make also clear that even if the decision-making process is complicated and bureaucratic, the decisions can be altered, as they are only papers until the constructions begin. It is also important, that the civil organisations be able to build conceptions, long-term programs, and their activity be more than just reacting on government decisions.

(d) In the year 2000 there was an attempt from the side of the Regional Environmental Centre in Szentendre to work out a strategic environmental assessment (SEA) on the TINA corridor Warsaw-Budapest. While different EU directorates supported

the idea, from the most touched part the TINA bureau there was a definite resistance against the whole idea. A strategy assessment would bring out the process from technical and transport issue to the real world and would show to its social, economic, environmental, regional implications. It would be very important to initiate the SEA process to the whole (TEN and TINA) network.

(e) The infrastructure is generally handled first of all as a big investment and the main arguments are coupled to that feature (employment, economic growth, local labour, etc.) That kind of effect would happen also if instead of roads the same amount of material were used to other constructions. There are very few analyses dealing with the content of the infrastructure, the long-term effects, the role of the network, the different effects of different types of networks (consisting of the same amount of concrete or asphalt). Even if the long-term effects are mentioned, there are many common places repeated, and seems as if the more infrastructure were simply the better.

(f) Naturally the expressions "intermodal", interoperability" "corridor" "integrated" are all learned and used in general documents in Hungary.

There is an attempt to introduce a public transport alliance in the Budapest conurbation area between the rail, intercity bus, the Budapest Transport Ltd. In the last seven years there was no big promotion in this organisation.

Another field is the combined transport: as the effective use of combined transport needs a 500-600 km transport distance, this mode in Hungary relates but to the import, export or transit directions. There are 19 (mainly container) terminals, 80 % of the total traffic is handled at five places and only three terminals able to put tracks on rail.

3. Other transport policy issues

"Quality of life and respect for the local environment (sensitive regions):

- *The Alpine area is an ecologically sensitive part of Europe and is pressed to boost more urgently sustainable transport policy. Are there any regions in your country, where the impact of infrastructure projects, noise and regional/local air pollution from transport is more intensive than elsewhere and where particular attention for these problems is stronger?"*

There are many misunderstandings in using the term "sensitive area"; because there is a tendency to address by that exclusively the ecologically sensitive nature protection areas. In a wider sense *sensitive areas are all those zones, where because of ecological or social or economical reasons only a restricted traffic is tolerable*. From

the transport point of view it is more practical to classify the sensitive areas by the level of necessary transport restriction. At one end of this scale one can see the areas totally prohibited for motorised transport (pedestrian zones, cycle lines, resort areas, protected forests, wetland areas etc.) A next category can be the different kind of temporal restrictions or other selected forms of restrictions (trucks, volume, dimension etc.) While all these types of restrictions are frequently used, *a main selection point can be the distinction between through traffic and local destination traffic*. By this last selection an extended area of second level sensitivity can be defined: areas that are open for local transport but where the through transport is to be avoided. It is an other question, how this selection can be assured: using administrative, legal regulations, pricing mechanisms, or technical solutions (including such tools as keeping the characteristics of the transport facilities within these areas in harmony with the target that crossing shouldn't be worthy).

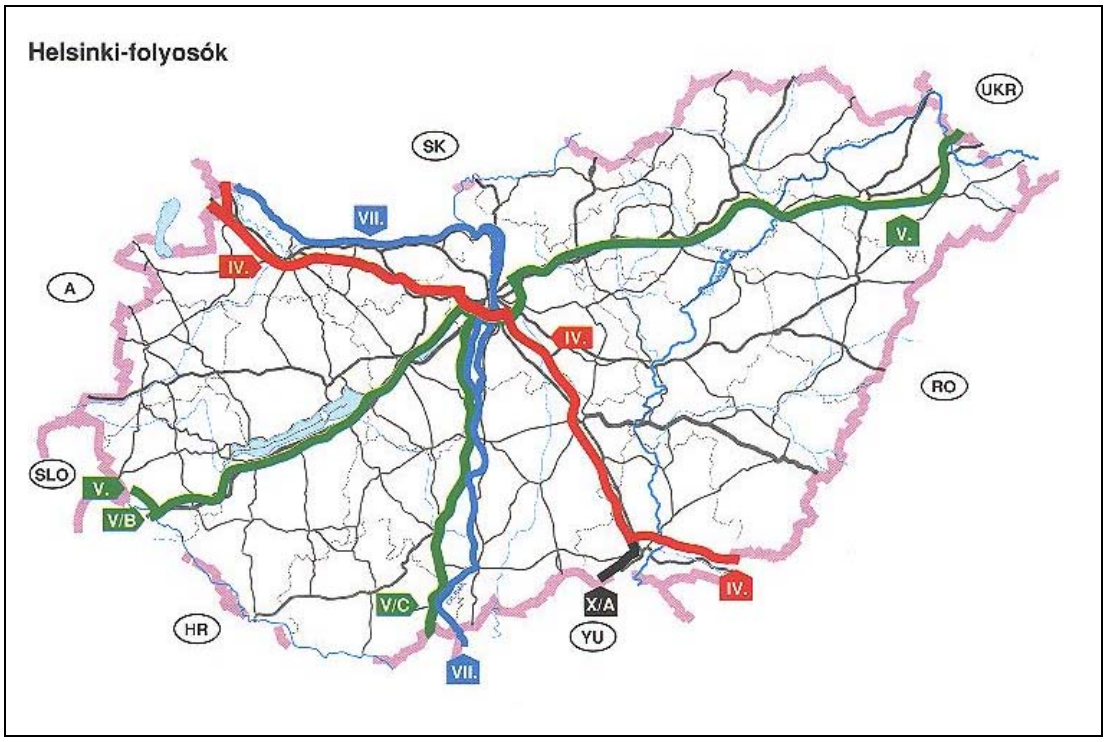
In that wider term all inbuilt settlement area is sensitive (and a general speed limit for those area is used: in Hungary 50 km/h). Within the settlements there is a rising need to define better protected densely inhabited zones of calmed traffic, by 30 km/h speed limit and by the exclusion of the transit possibility of the total zone. While this kind of protection not yet general in Hungary, there are more and more calmed traffic zones in different settlements and districts.

It was intentional that we started our list of sensitive areas with the scale of the local residence zones: this is the site a citizen the most frequently meets the restrictions, and the correct solutions of this problems give a feedback to the people's sensitivity.

A next problem still remains at the settlement level: in our days it is expected, that no main intercity road crosses the settlements. The bypass elements of the main road network need a significant development in Hungary. it was a misunderstanding, that by constructing inter-regional transport corridors this task would be avoidable or postponable.

Pan-European corridors in a mistaken structure

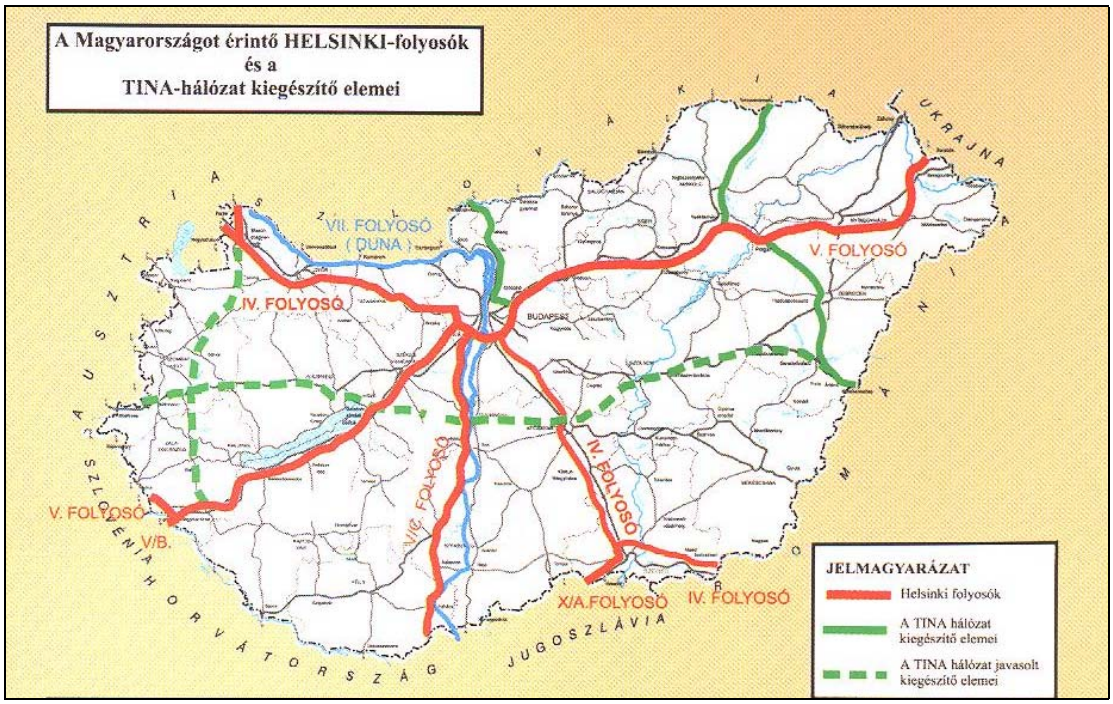
Here we arrive to the level of the pan-European corridors. When in the early 90s the EU extended the TEN corridors to the east, the transition countries were not yet prepared to think over the role of that corridors in the accession countries, and generally the eastern extension of the corridors were superposed to the most frequented national roads. As a result, the corridors now cross the most densely inhabited agglomerations and connect urban centres, instead of connecting regions, bypassing the urban zones as sensitive regions.



Source: Útgazdálkodás 1994-1998. Ministry of Transport, Telecomm. and Water Management

Figure 1. The Hungarian interpretation of the Helsinki corridors on the road network in 1998

Figure 1. presents the Hungarian interpretation of the Helsinki corridors crossing the country. The hope was, that the construction of these motorways can solve the traffic bottlenecks of the most heavily loaded roads. Instead, the construction of such a structure would cause a reinforcing of an already overcentralised transport and settlement network of Hungary. We have to understand that the Budapest conurbation area behaves as a sensitive area: the task is just to avoid the direct crossing this area by new corridors. It is the Budapest region and not Budapest city that the corridors have to access. The new necessary structure is an open net with N-S, E-W and rectangular corridors that connect regions and avoid sensitive regions.



Forrás: A 8. sz. főút fejlesztési feladatai... UKIG Hálózatfejlesztési Főosztálya 2000. szept. 13-15

Figure 2. The Helsinki corridors and the TINA additional and proposed elements 2000

Figure 2. presents that two years later Hungary tries to add to the TINA road (and similarly rail) sections that fit well to the TEN principles: intermodal corridors of N-S and E-W, that avoid a sensitive area and connecting the existing networks of neighbouring countries. What is paradox: the green lines that follow the above principles are considered in the TINA process as additional elements of secondary importance while the red lines that maintain a centralised structure is declared as backbone network of primary importance.

It is also necessary to mention the Balaton resort area as a sensitive zone. Here there is also a problem, as the 5.th corridor was interpreted as a solution to help the main road that now cross the settlements along the southern bank of the lake. (*Figure 2*.) To consider the interregional backbone network as a bypass road just behind the settlements was also a mistake. The backbone network should avoid the whole resort area, while it is really necessary to construct a by-pass road everywhere where now the main road cross the settlements.

A third conflict area between transport and a sensitive zone is the Buda hills at Budapest. While three of the motorways that now meet at the capital (M1, M7 and M5) already have an M0 connection between them around the city, there would be a most urgent task to make possible the connection with the fourth motorway M3 that arrives from the east. Instead, there are attempts to cross the Danube from M3 with a

second motorway bridge to the north side of the capital, and by that closing the motorway ring around Budapest also on the western side, crossing the sensitive Buda hill area, that should be rather protected from through traffic.

> *"Internalising external social and environmental costs into the transport sector :*
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> - *The European Commission published a green paper on "Fair and Efficient Pricing in Transport" in 1992 as well as a white paper on "Transport Infrastructure Charging" in 1998. Are there any studies about this issue in your country and how is the political debate on this ?"*

The slogan of "internalising external costs" is used in Hungarian policy documents. In the practice we have to separate pricing on toll ways and pricing in urban area.

There was a wave of concession euphoria in the early 90s. The decision was that the Road Fund is to be used for the maintaining and developing of the main and secondary road network, while the motorways need an extra source and that will be the private capital through concession agreements. A missing 42 km section of the Vienna-Budapest M1 was constructed first, the M5 was the next and a prolonged section of the M3. When on M1 the toll level was established and other construction costs calculated, the Hungarian government revised his earlier views, stating, that motorway construction using private capital is too expensive, and beside it the investors need so big state guaranties, that using that amounts almost the whole investment could be covered. On M1 first the concessor was obliged to use lower fees, later getting into crises the state bought back the whole concession. In the case of M3 the potential concessor's offer was considered too high, and the construction was taken back by the government, using public money for that. The official interpretation said, that private entrepreneurs work with too high profit, that is why it is more advantageous to built the motorway from the budget. Personally I keep it a misinterpretation: in my opinion the estimated traffic in the sections in question were not enough to construct an efficient motorway there; the market measured and displayed this fact. The correct next step should have been a revision of the motorway network plans and not building motorways in those regions where it is not yet necessary. The decision instead phased out the market measure from the process, and the present situation means that if those using and potentially using the motorway not willing to pay the cost, then those not using are have to pay from the budget. *What really happened was the externalisation of the internal costs of the motorway construction* (if we consider external all those not users who pay).

As for the urban use of pricing it is only the parking fee that is really used. (out of fuel tax and different taxes linked to car ownership) There are general studies on

most extended use of pricing, (zones or congestion periods) but not yet concrete projects.

> *"Particular constructive potentials and good practice examples of sustainable transport systems :*
>
> - *The EU and national institutions often support demonstration and pilot projects in cities/regions in Europe for networking good practice examples. Are there such pilot projects in your country, supported by national and/or EU institutions ?"*

At the level of studies there are yearly many different works, a few small enterprises can already be considered as specialists of such international projects. (helped by similarly specialised western enterprises). The collection of such projects and studies (and the analysis of the results) would need another study.

1994 Environmentally oriented transport policy was elaborated parallel with the preparation of the official transport policy. The Transport Ministry financed the study.

1998 As part of the Action Plan of the National Environmental Program (beside other economic branches) a Transport Sector Study was elaborated. The international support was given and the Environmental Ministry promoted the studies, while the acceptation from the different sectors was modest.

2000 A joint project PL-CZ-SK-H began to deal with the Strategic Environmental Assessment of the Warsaw–Budapest multimodal TINA corridor. (The support was given by the Regional Environmental Centre)

2000-2001. Budapest, (and Amsterdam) are the two metropols that submitted their Public Transport systems to a general auditing process, led by the ECMT Paris.

Budapest, 2001. March 21.