



DET KONGELIGE
SAMFERDSELSDEPARTEMENT

The Royal Ministry of Transport and Communications

Press Release

No

Date 17.10.2007

Fiscal budget 2008:

Strong focus on transport and communications – NOK 24.7 billion

The government proposes a NOK 24.7 billion appropriation to transport and communications via the 2008 fiscal budget. This is an increase of about NOK 1.1 billion or 4.7 per cent over the revised 2007 budget.

“The government is delivering on its promises. Spending on road and rail transport alike is up compared with 2007. The railway budget for 2008 is the highest in modern times.

With respect to both road and rail for 2007 and 2008, the level of spending set by the Storting's resolution on the National Transport Plan for 2006-2009 for two years of that planning period is more than matched by the government's transport budget. It also means that about NOK 200 million of the lag from 2006 can be recouped,” says Transport and Communications Minister Liv Signe Navarsete.

“The government sees a need to strengthen both road and rail operation and maintenance beyond the levels laid down in the National Transport Plan. Spending on ferry services forming part of the national road system (“national road ferry services”) is also higher than set out by the National Transport Plan.

The government is giving priority to operational, maintenance and development programmes promoting safer, more efficient and environment-friendlier transport nationwide. Particular priority is given to improving traffic flow in densely built-up areas, reducing long-distance costs and improving transport facilities for people and

businesses. The strong focus on the railways, spending on public transport facilities on the road network, incentive and support schemes to promote public transport in urban and rural areas alike, are helping to curb the burden on the environment. Changes in the duty system along with spending on research to promote the development and use of environment-friendlier technology and fuels in the transport sector, are also important to getting to grips with the growth in greenhouse gas emissions”, says the Transport and Communications Minister.

A good NOK 15.43 billion is earmarked for the road system, an increase of just over NOK 575 million or 3.9 per cent compared with 2007.

Just over NOK 7.51 billion is to be spent on the railways, an increase of just over NOK 411 million or 5.8 per cent compared with 2007.

A further NOK 1.77 billion goes to research and development, civil aviation, other transport initiatives, postal services and telecommunications.

Public roads: NOK 15.43 billion

The government proposes spending a total of NOK 15.43 billion on roads, including government purchases of national road ferry services. This is NOK 575.5 million, or 3.9 per cent, more than the revised budget for 2007.

Of the proposed spending on roads, NOK 7.06 billion is earmarked for traffic safety control and for operation and maintenance of the national road network. This is an increase of 4.3 per cent compared with 2007. Where operation and maintenance is concerned, priority is given to making vehicle traffic even safer. This applies especially to winter operation and measures targeting accident prone stretches of road. Next year will see higher spending on maintenance of bridges and tunnels than in 2007. The high spending on road maintenance, including new road surfacing, will continue in 2008.

NOK 6.53 million will be released for road investment, including funds for rockfall/landslide protection and for the E18 highway tunnel development at Bjørvika in Oslo. This is NOK 256.4 million or 4.1 per cent more than for 2007.

Spending via the fiscal budget will be supplemented next year by NOK 4.9 billion made available by toll road companies to fund parts of the development of the national road network, including NOK 710 million allocated to public transport investment programmes.

Construction of seven sizeable national road projects, i.e. projects estimated to cost in excess of NOK 100 million, is scheduled to start next year:

- E39, Stangeland – Sandved in Rogaland
- national road 80, Røvik – Strømnes in Nordland
- national road 7, Ramsrud – Kjeldsbergsvingane near Hønefoss in Buskerud
- national road 168, Bogstadveien in Oslo

- E39 Kvivsvegen, between Hornindal in Sogn og Fjordane and Volda in Møre og Romsdal
- national road 47, in Rogaland
- national road 567, Hauge – Lonevåg in Hordaland

For the three last-mentioned projects, construction start in 2008 depends on a final decision by the Storting in favour of a funding programme that includes road toll revenues. Where national road 168 Bogstadveien in Oslo is concerned, the upgrade programme will go ahead once the zoning plan is approved and once the City of Oslo and the Public Roads Administration reach agreement on cost sharing.

A number of smaller projects will also start in 2008, on trunk roads as well as on the remainder of the national road network.

Of the overall spending on road investments, NOK 329 million is earmarked for rockfall/landslide protection. This sum, plus road toll receipts and ordinary investment funds, add up to a total of NOK 520 million to be spent on projects yielding gains in terms of rockfall/landslide protection.

About NOK 520 million is allocated to special safety measures on the road network. This includes state funds worth NOK 470 million. Supplementing these special measures are the safety gains achieved by building new roads, footpaths and cycle lanes/tracks, by rockfall/landslide protection, and by checks and inspections.

A total of NOK 590 million will be spent on building footpaths and cycle lanes/tracks along existing roads in 2008, including NOK 250 million in road toll revenues and other external funding. Additional footpaths and cycle lanes/tracks included in new road network projects will be funded via ordinary national road spending and in some cases partly via road toll revenues.

For 2008 a total of NOK 900 million, including available "roads funding", goes to special public transport programmes. NOK 710 million of this sum comprises road toll revenues, while NOK 190 million comprises state funds going to national road investments. The construction of a light-rail transit line in Bergen and upgrading of the Kolsås suburban line in Oslo and Akershus are the largest projects. The funds will also be spent on urban programmes to achieve a quicker and better flow in bus and tram traffic. "Roads funding" will also be spent on developing park-and-ride facilities, upgrading public transport terminuses and adapting bus stops and traffic hubs for express buses. Priority is also given to making public transport services more accessible to everyone.

NOK 100 million of the overall spending on public road investments is allocated to national scenic routes to cover the state's investment in these projects.

Almost NOK 1.6 billion goes to state purchases of national road ferry services. This is an increase of 5.7 per cent compared with 2007. The government proposes increasing

the discount rate on zone discount cards and multi-journey cards for vehicles from 45 per cent to 50 per cent as from 1 May 2008.

The Ministry of Transport and Communications intends to raise ticket prices on national road ferries by 4.3 per cent as from 1 January next year.

Railways: NOK 7.5 billion – investments up 5.4 per cent

A total of NOK 7.511 billion is allocated to the railways for 2008. This is an increase of 5.8 per cent.

NOK 5.8 billion of the railways appropriation goes to the Norwegian National Rail Administration for operation, maintenance and investment in the line network. This is 6.1 per cent more than the figure for 2007.

NOK 3.46 billion goes to rail network operation and maintenance, an increase of about NOK 216 million or 6.7 per cent. The operating budget has been substantially strengthened compared with 2007 to ensure train punctuality and regularity, while spending on maintenance continues at the same level.

The government proposes investments of NOK 2.34 billion in the rail network. This is an increase of close to NOK 120 million or 5.4 per cent, and represents an unprecedented high level of investment in rail infrastructure.

The overall allocations to investment include funds to ensure rational progress of projects already under way. Two important projects are Lysaker – Sandvika, and Lysaker Station, both on the Drammen Line. Funds are also earmarked for developing a double track between Sandnes and Stavanger. The budget proposal otherwise comprises funds for the development of a remote control system on the Nordland Line, for completion of the GSM-R train radio system and for increasing the capacity of the line network, with the emphasis on passing loops.

About NOK 450 million goes to programmes and projects of particular benefit to goods traffic. This figure includes funding for the goods terminals at Ganddal in Rogaland, Alnabru in Oslo and Brattøra in Trondheim and funding for passing loops at Berg on the Østfold Line, at Fauske Station and at Røkland on the Nordland Line and between Alnabru and Roa on the Gjøvik Line. Funds are released for planning a passing loop between Kristiansand and Egersund and a double track between Bergen Station and Fløen.

NOK 35.6 million is earmarked for operation of the Norwegian Railway Inspectorate.

Spending on the railways includes just over NOK 1.6 billion for state purchases of rail passenger transport services.

Civil aviation: NOK 711 million

The total budget proposal for government spending on civil aviation in 2008 comes to NOK 711 million, an increase of 4.7 per cent over 2007.

For 2008 NOK 501.4 million is allocated to government purchases of domestic air route services that are not commercially viable. This spending will promote an efficient and equal air route offering to people and businesses nationwide.

No government grants are proposed for Avinor AS's regional airports for 2008 since Avinor is now in a good financial position and can transfer funds from commercially viable to commercially unviable airports.

The government proposes flight information service grants (AFIS grants) worth NOK 13.4 million to non-state airports carrying scheduled air traffic.

NOK 149.2 million is allocated to the Civil Aviation Authority.

The government proposes an appropriation of NOK 47 million to the Accident Investigation Board, an increase of NOK 9.7 million compared with 2007. The increase is essentially prompted by the extension of the Commission's remit, as from 1 July next year, to include accidents and serious incidents in shipping. The Commission will from that date be responsible for investigating accidents and serious incidents in shipping, civil aviation and rail and road transport.

Public transport programmes: NOK 10.9 billion

NOK 10.9 billion, including road toll revenues of NOK 710 million, will be spent on public transport programmes in 2008. This is an increase of more than 4 per cent compared with 2007.

The above figure includes funds for state purchases of rail passenger transport services, spending on development, operation and maintenance of the rail network, public transport initiatives funded over the roads budget or partly by road toll revenues, purchase of national road ferry services, purchase of coastal transport services on the Bergen – Kirkenes route (in keeping with the "Coastal Express Agreement") and state purchases of air route services.

The overall figure of NOK 10.9 billion also includes an appropriation of NOK 161.7 million to an "incentive scheme to improve public transport and reduce the use of cars in urban areas" and NOK 20 million to a trial project to develop models and solutions designed to improve public transport services in rural areas.

Spending on public transport also includes NOK 52.1 million to local and county authorities to secure speedier progress and better coordination of efforts to make public transport more accessible to all passenger groups (the BRA programme).

The above state funding and road toll revenues are supplemented by county authority funding for local public transport, including concessionary fares for pupils and students on local public transport.

Road pricing and using road toll revenues to operate public transport

The budget proposal refers to the Storting's adoption in spring 2001 of an amendment to the Road Traffic Act authorising the introduction of road pricing. This amendment has yet to be implemented. "Nor have supplementary regulations been drawn up. In the view of the Ministry of Transport and Communications a natural step is to complete the process of putting the formal statutory basis in place. The Ministry will continue its effort to implement the adopted law amendment, and aims to draft supplementary regulations. I have previously announced the government's intention to table an amendment to the Public Roads Act giving it the statutory authority needed to spend road toll revenues on the operation of public transport services," says Transport and Communications Minister, Liv Signe Navarsete.

Post and telecommunications

Overall spending of NOK 208 million is proposed for postal services and telecommunications in 2008. The entire amount relates to the Norwegian Post and Telecommunications Authority.

The government wishes to secure households and firms in Norway access to basic postal and telecommunication services that are of high quality and reasonably priced. This includes distribution of post six times weekly and a unitary postage stamp charge.

Norway Post achieved a poor level of service delivery in winter 2006 with excessive delivery times. Norway Post will now follow up and evaluate the quality of postal delivery. To this end, starting in autumn 2007, delivery times will be measured on a quarterly basis at regional level.

Research and development in the transport and communications sector: NOK 170 million to environment-friendly transport

The government proposes spending NOK 170 million – via the Ministry of Transport and Communications' budget for 2008 – on research, development and trial projects with the main emphasis on research programmes and projects in the transport and telecommunications sectors.

Of the funds allocated to transport research, almost NOK 30 million is earmarked for the RENERGI research programme focusing on the development and use of environment-friendly technology and fuels, including hydrogen and other biofuels. Part of this funding is linked to the government's national hydrogen strategy.