

# concept

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DECISION MAKERS, DOERS AND ADVISORS  
– JOINING FORCES TO ENHANCE UTILITY OF INVESTMENTS

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Concept Symposium 2010  
Oscarsborg, Norway  
16 – 17 September 2010

Symposium web-site: <http://www.conceptsymposium.no/>  
Concept Research Programme: <http://www.concept.ntnu.no/english/>



## O<sup>3</sup> - Transportation infrastructure development in Oslo the next 30 years

Concept Symposium 2010  
September 16th - 17th

Stein Berntsen - Dovre Group  
Kjell Werner Johansen - TØI

# Dovre Group and TØI

## Dovre Group

- Consulting and resourcing for major projects
- Project Management and Procurement
- Established 1984, 360 employees

## Institute of Transport Economics (TØI)

- Research and consulting in transportation
- Multidisciplinary transport research
- Established 1958, 95 employees

## Joint Venture

- Partners for QA framework agreement
- Cooperation since 2001



# Oslo Transport Policy Packages



Concession for road toll 2008-2027.  
Infrastructure investments for main roads and public transport, and operation of public transport in Oslo and Akershus.



Concession for road toll 2002-2007.  
Accelerated infrastructure investments and procurement of rolling stock for public transportation in Oslo and Akershus.

**O1**

Concession for road toll 1990-2001.  
Mainly road investments in Oslo and Akershus.

*Incomplete initiatives are carried over*



# Purpose and objectives

- *Effective and safe transport* for people and goods in Oslo and Akershus
- Tool for desired *growth in work places and population*
- *Accessible for all users* (universal design)
- Tool for *sustainable use of land and transportation* in an extended work-, living- and service-region around Oslo
- *Reduce local pollution* and contribute to fulfilling Norway's *international climate obligations*



# Desired growth or adjustment to reality?

- Tool for desired *growth in work places and population*
- How to attract new business and the best educated people in competition with Gothenburg, Stockholm and Greater Copenhagen region?
- Central argument for the Öresund connection between Copenhagen and Malmö
- For O<sup>3</sup> the ambition for regional development is hardly discussed
- For O<sup>3</sup> a 30% growth is assumed
- How would this discussion have affected the design of the alternatives?

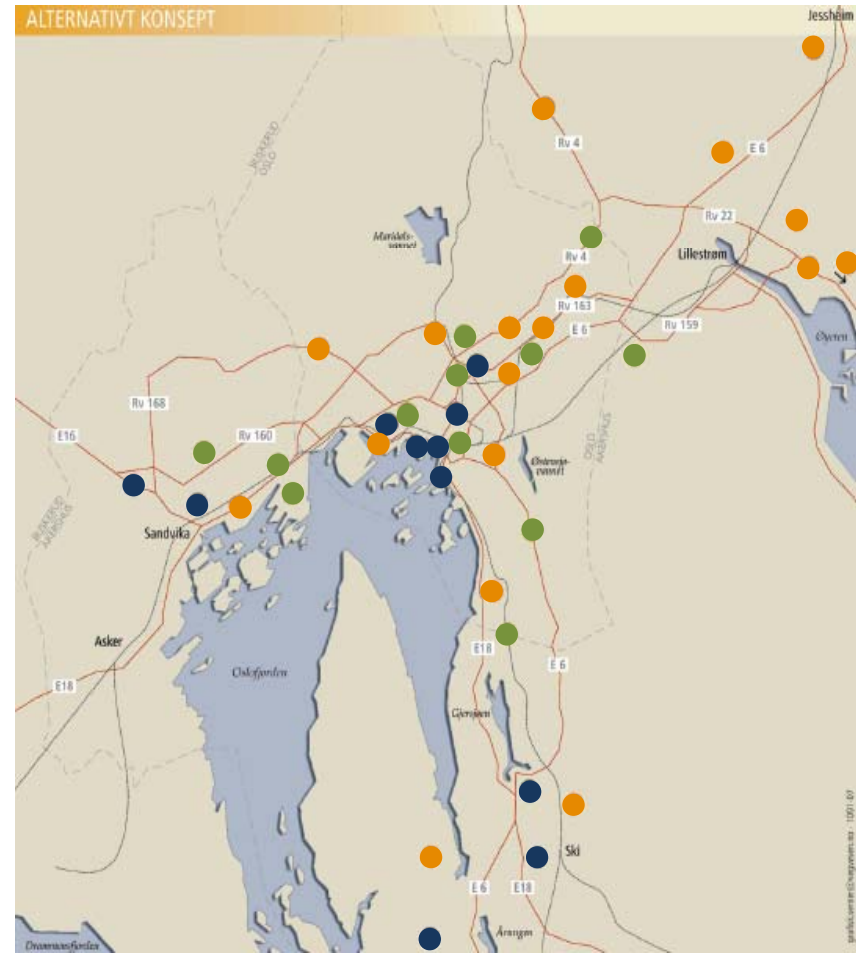
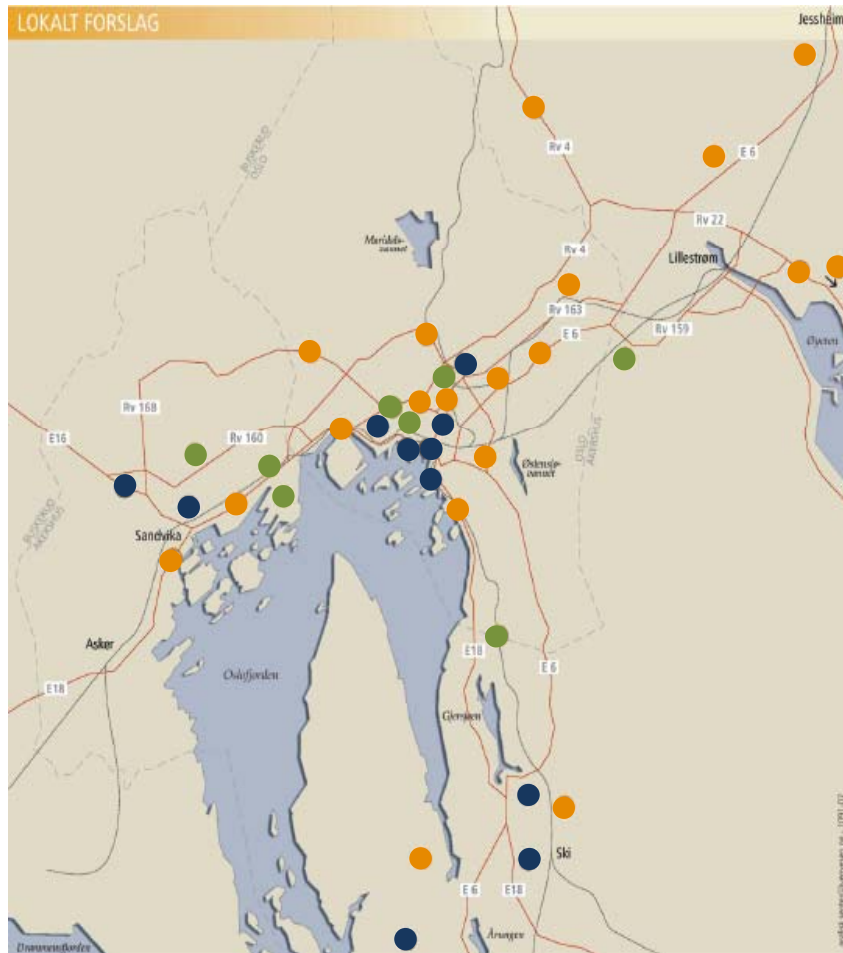


# The alternatives

- **Local Proposal “Planning by negotiation”**
  - Political compromise between Oslo and Akershus
  - Political compromise between political parties (public transportation vs. private cars)
  - Fragile agreement based on present ratio of power
  - Focus mainly on supply of capacity
- **Alternative Concept “Rational planning”**
  - Prepared by the transportation authorities
  - Focus on supply of capacity and reducing demand
  - Reduced focus on road capacity in west corridor
  - Use of price mechanisms to reduce road traffic



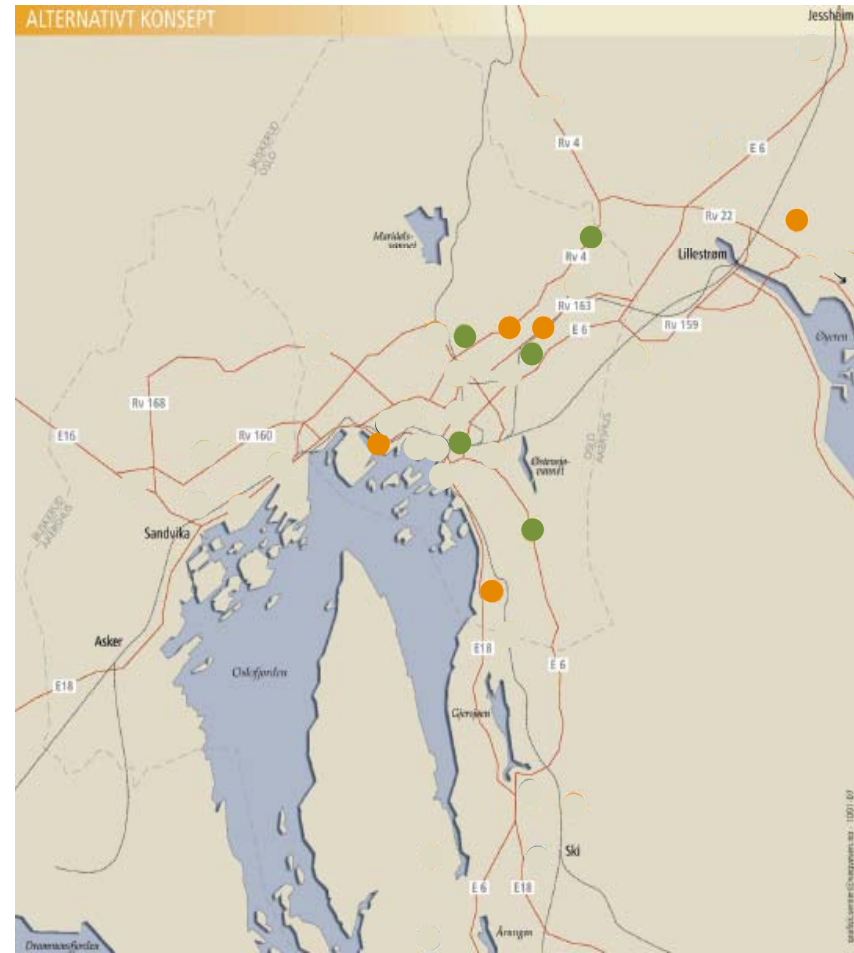
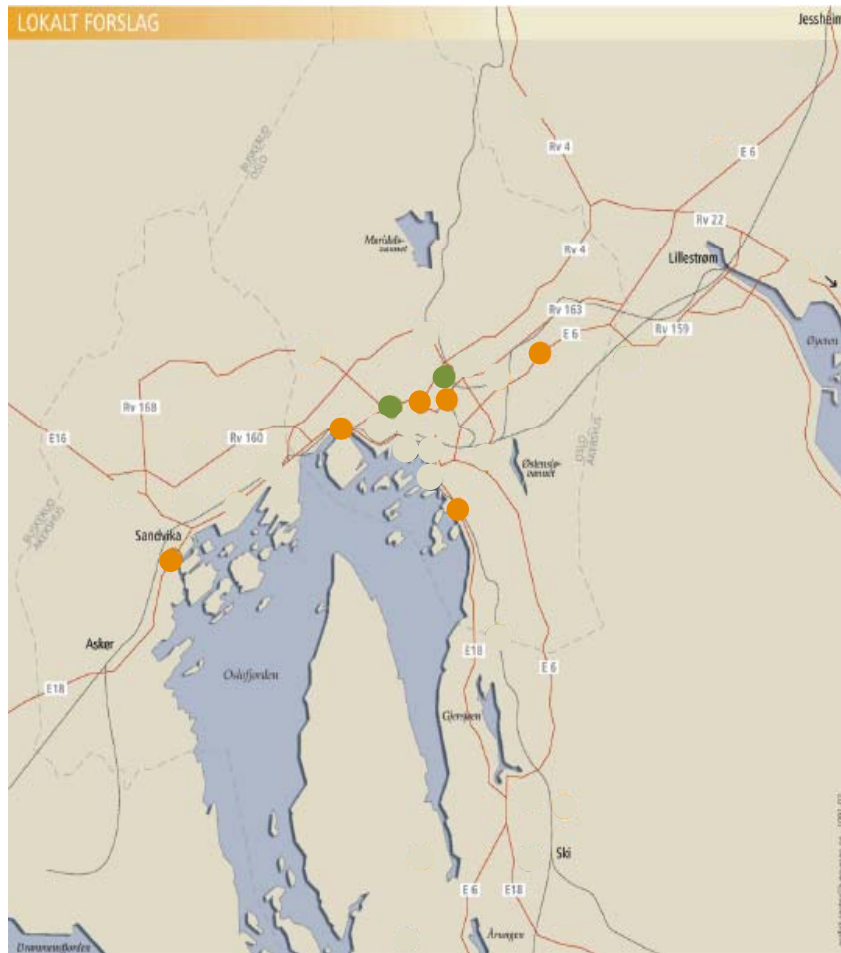
# Alternative concepts



- Ongoing projects
- Road
- Railroad / Tube

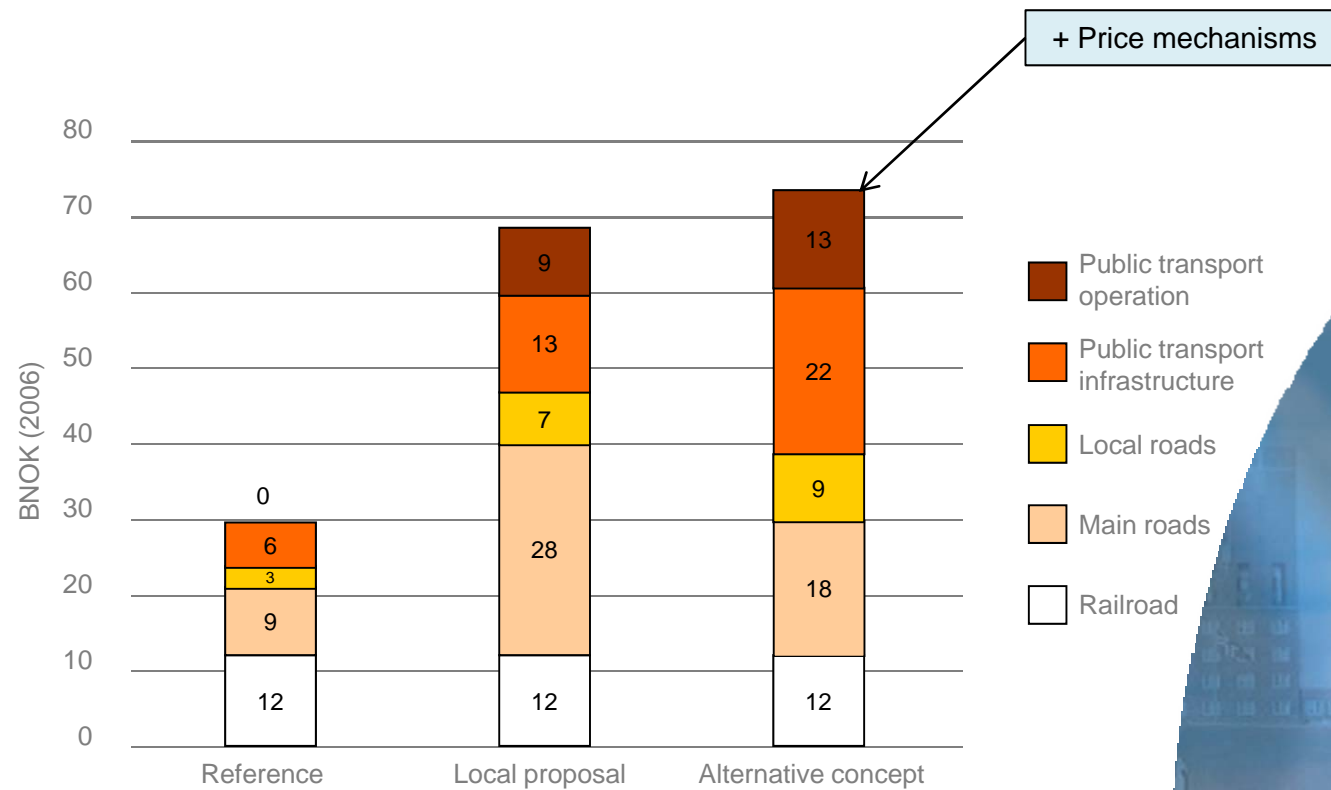


# Alternative concepts?



- Road
- Railroad / Tube

# Alternatives comparison



# Price mechanisms

- Parking restrictions and prices
- Time differentiated road toll
- (Public transport prices)
- (Fuel taxes)
  
- Price mechanisms are effective for regulating demand
- Behavioural change may be achieved without increasing capacity
- Undesired distributional effects
  
- Correct prices undermines financing?



Who's going to change?

# Climate objectives

- National climate strategy under development
- Unclear how climate objectives will effect policy for transport infrastructure initiatives
- General technological development will reduce emissions, but can not be attributed to O<sup>3</sup>
- Both alternatives underachieves climate objectives
- O<sup>3</sup> initiative is not effective for reducing emissions



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# Main uncertainties

- Main objectives and priorities need to be developed
- Future climate strategy
- Fragile political agreement - priorities may change
- Cost of infrastructure heavily underestimated
- Expected cost of infrastructure not fully financed
- Concepts are rigid projects lists – no steering flexibility
- Concepts likely not to be completed in 20 years
- Concepts lacks exit strategy for 2028
- Project ownership and control



# Main recommendations

- Detailed project lists for the next 20 years not recommended
  
- Project Portfolio Management regime
- Proposed projects for the next 4 years only
- Portfolio selection based on
  - Contribution to main objectives
  - Robustness vs. changing priorities
  - Cost / benefit analysis
  - Status in ongoing projects
  - Price mechanisms vs. investments
- Steering committee with top level representatives from decision making organisations
- Decisions in existing bodies of government
- Develop a clear exit-strategy



# Current status

- O<sup>3</sup> Step 1 approved by Parliament spring 2008
- O<sup>3</sup> Step 2, approved by Parliament spring 2009
  
- Project portfolio based on Local Proposal
- Project selection based on 4 year plans
- Steering committee and administration established
  - Public Roads Administration - Director (Chairman)
  - National Rail Administration - Director
  - Oslo - Commissioner for Environment and Transport
  - Akershus - County mayor
  
- Proposed plan for 2011-2014 submitted





Thank you for your attention!

