

The right to compete in transport infrastructures

Switzerland

Autonomous regions and decision-making rights on transport infrastructure matters in the new federalist system

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Acknowledgements

The author wishes to thank Dr. Lena Poschet from the Bundesamt für Raumentwicklung for her valuable advice in relation to federal policies.

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Introduction

Territorial and constitutional organization of Switzerland

Switzerland has approximately 7 million inhabitants, spread over 41 000 km² and its government is a Confederation of 26 cantons: the “*Helvetic Confederation*” (CH). The country has approximately 2800 municipalities. The cantons and the municipalities have broad powers, such as the financial and fiscal autonomy of the cantons and municipal autonomy.

The federal Council (seven ministers, one of which moreover acts as President, in rotation, for a one-year term) arises from the federal Constitution, which has been completely restructured, the last version of which came into force on 1 January 2000.

This deep federalism includes not only the classical so-called “horizontal” separation of powers, but also brings into play a vertical structure aimed at preventing conflicts of power between the autonomous cantons.

The Swiss constitutional model entails the delegation of decision-making and financial powers to the decentralized bodies, which represents a protection for linguistic and cultural minorities, but which places the cantons and municipalities in a position of competition in certain spheres. The freedoms which arise from this situation have allowed some cantons to develop, test and apply original solutions which have subsequently been adopted by others, and even by federal legislation.

The constitutional model is, furthermore, based on the postulate that a federal system satisfies the regional preferences of the citizens better than a centralized system. It is especially based on the hypothesis that a certain level of fiscal power limits the costs imposed on companies and citizens, while the instruments of direct democracy (representation of the citizens in Parliament, citizens’ initiative right, votes several times a year) directly influence public activities, at the same time as moderating the expenses that they involve.

However, the management of the tasks of each canton, the financing and the coordination in accordance with the overall objectives of the Confederation, progressively became so complex that any new change gave rise to more problems than it solved. To establish a healthier distribution of tasks and their financing, the government began an in-depth reflection which in 2008 resulted in a new compensation, *Ausgleich* in German, of the finances and a redistribution of tasks¹ (RPT) among the cantons, and between the latter and the Confederation. We will study this new concept in detail in the chapter devoted to governance. The figures presented below describe the evolution under the old regime, while the analysis of the right to decide and of its objectives takes both systems into account.

¹ Exact name: Reform of the financial compensation and of the distribution of tasks, acronym: RPT.

Main institutional agents in relation to transport and infrastructures

The Confederation defines the main lines of the organization of Swiss territory, the programme for their fulfilment and the overview of the activities, covering the national sphere. These activities result in the production of designs and sectorial plans (in particular for the transport sector).

The cantons are responsible for the preparation of baseline studies, such as for example the transport executive designs, the territory organization designs, the sectorial plans and the cantonal master plans. The main work tools are the master plans.

The municipalities also prepare baseline studies, but on their own territorial level. These are the executive designs, the municipal master plans and the municipal urban development plans. The main means for communication and action of the municipalities is the urban development plan. ([table 1](#))

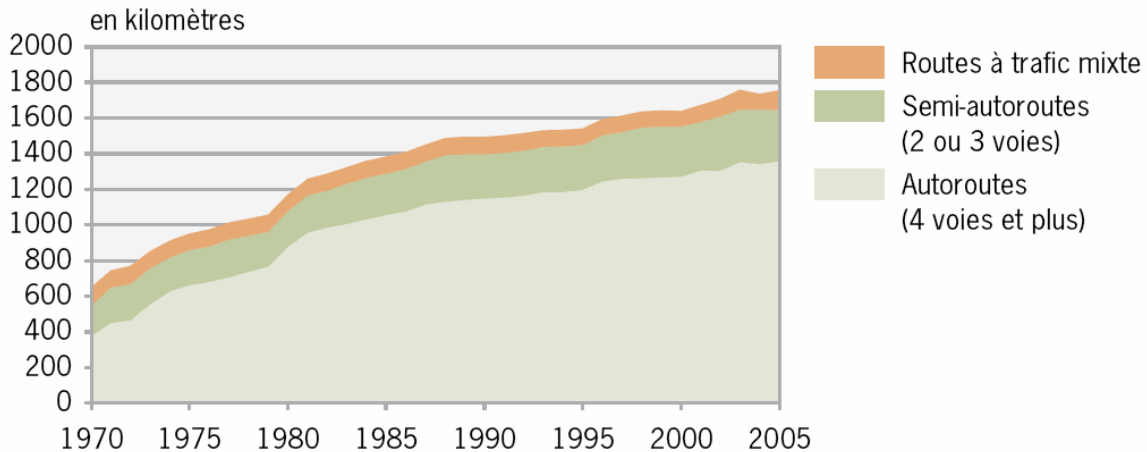
table 1. Main institutional agents and their instruments.

Institutional agents	Tasks	Instruments
Confederation	main lines of organization of Swiss territory; fulfilment programme; overview of the activities on the level of the Confederation	Designs and sectorial plans
Cantons	transport executive design, territory organization design, sectorial plans and cantonal master plans	Master plans
Municipalities	executive designs, municipal master plans; municipal urban development plans	Urban development plans

Examination of the transport system

A third of the Swiss residential and infrastructure surface area (32%) is devoted to transport. In 2005, the country had in service approximately 95% of the national road network planned for 2020 (1900 km). At present it is not planned to expand it beyond that, but rather to increase its quality, performance and accessibility. ([chart 2](#))

chart 2. Development of national roads in Switzerland.



Source: OFROU, 2008

The national railway network follows a similar logic, with an increase in efficiency, concentrated on transalpine (goods) traffic and intercity links, but without increasing the branches.

On a cantonal and municipal level, in general the infrastructure works are centred on the expansion of the peri-urban offer, but it is no longer a question of “unlocking” towns. (table 3)

table 3. Main transport infrastructures in Switzerland.

Infrastructures (situation 2005)	Length, km
National roads (total)	1 756
motorways	1 358
Cantonal roads	18 094
Municipal roads	52 000
Railway network	5 024

Source: OFROU, 2006

State of the transport infrastructures in Switzerland

The state of the Swiss roads varies considerably, the quality depending directly on the sources of financing devoted to maintenance, and therefore on the importance granted to them. These sources are federal, cantonal or municipal, and also mixed financing before the application of the new compensation (2008).

National roads

The main fast road axes of Switzerland, the national roads are overall in a condition between good and very good. This is mainly due to the fact that the financing of their maintenance is guaranteed with the taxes on fuel collected by the Confederation. However, the analyses recently carried out indicate that the maintenance works necessary will be very important over the coming years and consequently will require higher financial resources. This is due to the increase in traffic density, to the

increase in the maximum weight of lorries (progressively from 28 tons to 40 starting from 2001) and to the ageing of the national roads.

The Confederation established during the 2000s a new concept of management of mobility on a national level, which should make the entire national road network clearly more efficient ("*Concept of Road Telematics 2010*", OFROU, 1999). Thus, the government hopes to be able to offer greater capacity without having to build new infrastructures, apart from the urban roads in areas which are currently already saturated. This type of concepts is not passed by referendum, but is subject to widespread consultation (Petersen, 2001) and then is converted into strategies the bases of which are not reconsidered. The strategy in question was named "*Transport telematics ITS-CH 2012*" (Rapp, 2005) and it is now relatively well accepted by the majority of those involved. The Swiss Road Transport Federation (FRS), however, reproaches it for placing the Confederation in a position to intervene to directly run a development which, according to practice, should have been debated on a political level. It also reproaches it for allowing the Confederation to be able to use the road telematics to restrict car traffic and to influence demand².

Cantonal roads

The second main road component in Switzerland, the cantonal roads are sometimes in a state that the authorities describe as of concern, mainly due to the stagnation of the subsidies of the Confederation and, in numerous cases, to their reduction in recent years. According to the federal authorities, between 18% and 29% of cantonal roads would have to be upgraded³, that is between 3 300 and 5 300 km.

Municipal roads

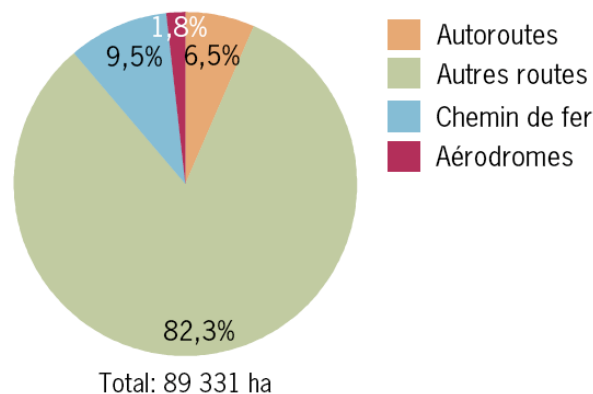
These are in a similar state to that of the cantonal roads, although they are subject to less demand. Indirectly they are affected by the reduction in subsidies from the Confederation granted to the cantons, because the latter are generally indebted, and cannot therefore offset the reductions in federal financing.

In these circumstances in which the institutional resources are limited, it is important to indicate that the surface area of cantonal and municipal roads represents over 80% of the overall national transport infrastructures. ([chart 4](#))

² FRS, 2001.

³ 2001 survey by the VESTRA, state of cantonal roads.

chart 4. Distribution of surface areas devoted to transport in Switzerland.



Source: OFROU, 2006

The maintenance and the set of measures concerning these non-federal infrastructures thus have a very significant impact on the road offer in Switzerland. The important measures include the public transport financing system (FINTP), which is intended to develop the offer both by road and by rail.

Rail infrastructures

The railway network intends to achieve an improvement in performance for the fast and frequent transportation of passengers between the main urban areas. The main (infrastructure) actions consist of multiplying the tracks on the most saturated sections. The most significant project from the period 1980-2020 is the construction of the New Alpine Railway Lines (NLFA), which increase the speed and the capacity on the transalpine links already existing between Switzerland and Italy. However, the NLFA only have a relatively low direct impact on the nearby cantons. These infrastructures above all will make it possible for a high number of lorries to avoid crossing the Alps by road and are essential in the national transport policy. Indeed, their absence in the coming years – and therefore the corresponding overburdening of road traffic – would have been noted more than their presence currently is.

Assertions

The Road Telematics Concept is the result of a deliberate political priority which is intended to offer mobility features without increasing the surface area of infrastructures. It is already operational, especially under the company “Viasuisse SA”, the national information on mobility centre, created in 2001, which by means of a wide range of means collects, prepares and transmits information on all the transport systems in Switzerland, in particular on traffic disturbances. Viasuisse works 24h a day, in 3 languages. This company is an association which brings together the Federal Roads Office (OFROU), the Federal Railway, the Swiss Touring Club (TCS), the cantonal police and professionals from the media, especially Radio Switzerland (SSR). The system will continue to develop, but already (2009) works well and undoubtedly allows the infrastructures existing to be used with more efficiency and safety. Its effect goes well beyond the limits of the national roads, as the cantonal and municipal service, and the railway, regularly benefit from it.

However, the national coordination of the use of the new communication technologies is currently limited to exchanges of information. The federal institutions

have not yet dealt with the public transport electronic pricing dossier, allowing the companies to develop their own concepts and to carry out specific trials. In this sphere, the consortia between public groups, transport companies and companies capable of identifying contact-free barriers and managing automated payments are in their infancy. Also, similarly to the countries where this practice has already begun, such as Japan and the USA (Chevroulet, 2006), the legal framework has not yet been clearly defined. The citizens do not know how decision-making, financial or legal powers will be distributed. In the current situation, neither the citizens nor the territorial authorities know even which agents will play a dominant role in the planning of the offer in this sphere situated on the crossroads between electronic commerce, finance and transport.

State of the art and evolution

Evolution of transport expenditure

Transport expenditure represents approximately 10% of all the expenditure made by the municipalities, the cantons and the Confederation. The Confederation alone devotes approximately 14% of its expenditure to transport. (table 5)

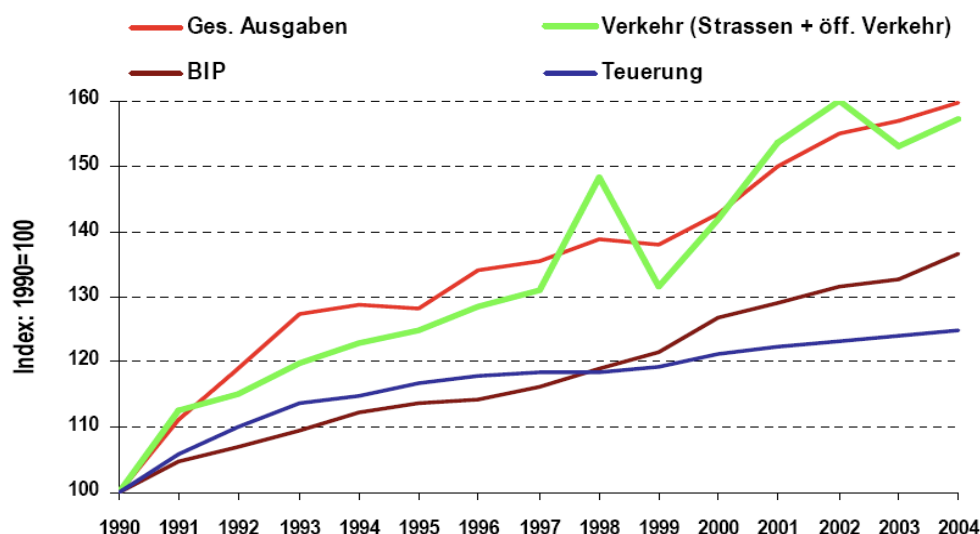
table 5. Evolution of total expenditure for transport in Switzerland (thousands of Swiss francs, kCHF)

	1990	2006	Difference kCHF
Overall mobility	9,170,000	14,497,834	5,327,834
National roads	1,868,000	2,313,925	445,925
Cantonal roads	1,589,000	2,225,726	636,726
Municipal roads	1,909,000	2,560,777	651,777
Private roads	12,000	13,840	1,840
Federal railways	1,629,000	3,535,003	1,906,003
Regional transport	1,803,000	3,117,599	1,314,599
Miscellaneous: Aviation, navigation, communications and others	360,000	730,964	370,964

Sources: AFF, 1991; AFF, 2008 (1 Euro = approx. 1.6 CHF in 2006).

Generally speaking, the evolution of transport expenditure follows the average for public expenditure in Switzerland. Transport expenditure progressed parallel to GDP between 1991 and 1997, while in 1998 and 1999 it showed a rise and a fall of a similar size, subsequently registering a curve slightly above GDP (chart 6). This latter trend expresses the country's efforts to develop a multimodal transport system which allows the bilateral agreements signed with the European Union to be respected, especially the transport chapter which entails the costly NLFA.

chart 6. Evolution of total and transport expenditure compared with the progression of GDP and of RPI between 1990 and 2004.



Total expenditure Transport (all modes)

GDP RPI (retail price index)

Source: AFF, Public finance of Switzerland, 2008.

Distribution of expenditure

The Confederation's contribution to the financing of total transport expenditure is approximately 60%. The cantons and municipalities cover 20% each, respectively⁴. (table 7 and chart 8).

table 7. Distribution of overall transport expenditure in Switzerland (2006).

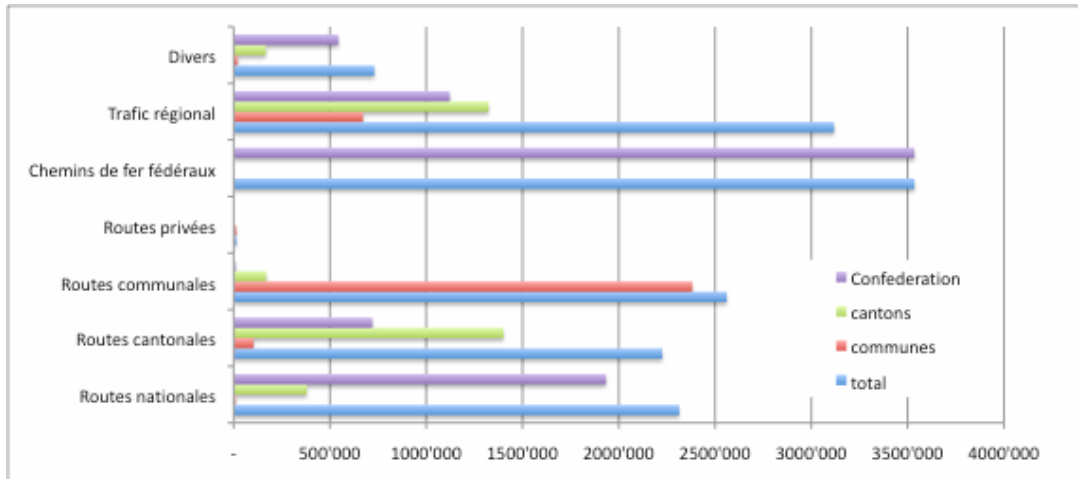
	Total (kCHF)	Municipalities	Cantons	Confederation
Total	14,497,834	3,191,193	3,441,277	7,865,365
National roads	2,313,925	445	379,761	1,933,719
Cantonal roads	2,225,726	103,512	1,402,058	720,156
Municipal roads	2,560,777	2,381,808	168,521	10,448
Private roads	13,840	13,840	-	-
Federal railways	3,535,003	-	-	3,535,003
Regional transport	3,117,599	671,505	1,324,080	1,122,014
Miscellaneous	730,964	20,082	166,857	544,025

Source: AFF, 2008 (1 Euro = approx. 1.6 CHF in 2006).

If public transport roads are distinguished, the situation is as follows: for the total road expenditure, the Confederation's part is approximately 41%, while the cantons contribute 25% and the municipalities 34%. As for public transport, it is financed to a great extent by the Confederation (approximately 75%).

⁴ ARE, 2006.

chart 8. Distribution of transport investment in Switzerland (kCHF, 2006)

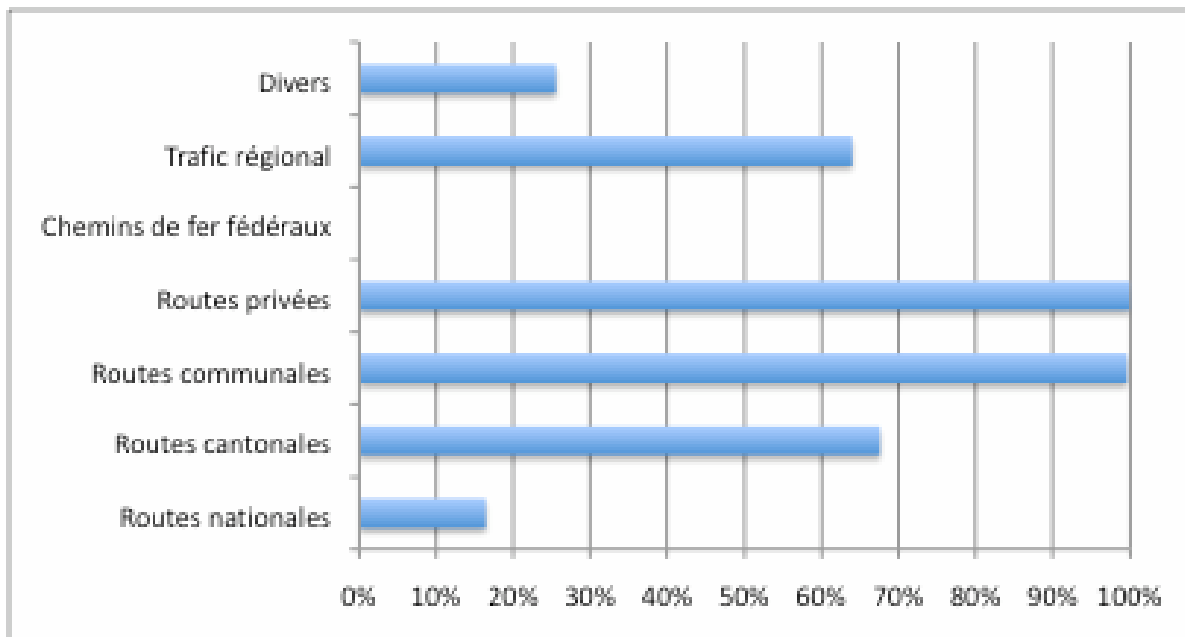


Source: Figures taken from AFF, 2008 (1 Euro = approx. 1.6 CHF in 2006).

The cantons' and municipalities' share of the financing of the transport system (sum of the non-federal contributions) indicates very different contributions, depending on whether or not the investment has a use with federal predominance. (chart 9).

It is indeed observed that the cantons and municipalities finance jointly all the municipal and private roads, two thirds of cantonal roads and of regional transport, while the Confederation finances over 85% of the national roads and all the subsidies granted to the Federal Railways. Out of the subsidy of 3 500 million Swiss francs (some €2 300M), over half (2 000 M CHF/ €1 200M) is attributed to passenger transport.

chart 9. Contribution of the cantons and municipalities to the financing of transport expenditure (2006).



Source: Figures from AFF, 2008.

Governance of the transport system

Determinant instruments of transport policy

The main texts regulating the development of the transport infrastructure in Switzerland form part of the legislation on organization of the territory. First there is the Law on Organization of the Territory (LAT) and the Order on Organization of the Territory (OAT). The decision-making capacity is related, in the new law on organization of the territory, to that of financing, and of respect for the environment (the results of the impact studies must be accepted by the authorities, up to the federal level in the event of appeal). In practice the rules established are followed fairly precisely (table 10), obviously taking into account that whether or not a project is politicized can considerably influence the progress of its completion.

table 10. Powers of the Confederation and legal value of the instruments.

Powers of the Confederation	Legal value
Federal law on organization of the territory. LAT (22 June 1979, in revision) 20 March 1998 Order on organization of the territory. OAT (2 October 1989; 28 June 2000)	Define the objectives used as general framework for the application of the instruments for organization of the territory. Legal bases for the organization of the territory in Switzerland.
Baseline studies master designs, analyses of needs, viability studies etc.	Constitute a basis for the planning; without legal value
Sectorial rail and road plans Designs of the Organization of the territory	Coordinate the tasks with special impact and integrate them in a coherent policy. The scope of these plans depends on the financing of the Confederation.
Specific federal orders, laws and decrees for transport:	Regulate the conditions for the location of infrastructures, the order for public transport, etc. legal value.

Source: adapted from Chevroulet and Poschet, 2001.

Federal instruments

As for energy infrastructures (nuclear, high voltage lines and high pressure gas), airports and military infrastructures, the Confederation decides involving the cantons in a collaboration procedure which consists of preparing and then applying the “*sectorial plans of the Confederation*”.

Although there is a sectorial transport plan which deals with national roads and railways, the programmes (ZEB/NEB) decided on by the Parliament are determinant because they allocate the financing to specific projects. The collaboration between Confederation and cantons thus materializes through a political decision-making procedure.

With transport in urban areas which can entail simultaneously investments in road, rail and vehicle infrastructure, the policies delegated by each canton are activated on a federal level so that the Parliament recognizes the value of the projects intended for its territory.

The federal departments (ministries) moreover assess this value in accordance with national criteria and the final points determine the level of participation of the

Confederation. This procedure, at the same time political and practical, requires from the cantons an intense preparation of dossiers, although it does not allow them to anticipate the financial results. However, the procedure itself stimulates exchanges of experience between the cantons (although they are in competition for the federal manna) and precisely for this reason guarantees a good overall quality. In some cases, the cantons even begin projects without having received the go-ahead from the federal Council, advancing the funds necessary... and hoping that the government will end up approving the work already carried out!

Cantonal instruments

The cantonal master plans (approved by the federal Council) are for the cantons the means to foresee the evolution of their territory, to estimate the infrastructures necessary and to explain them.

These master plans also link the cantonal planning to that of the Confederation.

Cooperation between levels and between territories

Even when it is not directly involved in the completion of a project, the Confederation can help with the inter-cantonal negotiation or between a canton and an important company (such as the federal railways), especially when it considers that it is necessary to invigorate the quasi-monopolistic position. In a more general manner, the federal government opens up enquiries with the cantons for the main changes liable to affect them. It also does this with the transport companies.

Federal coordination

The Confederation takes on most of the tasks related to the national roads, and the cantons are in charge, individually, of the aerodromes situated in their territory, and of the separation of the traffic flows and of the level crossings. The Confederation and the cantons coordinate to establish and offer good urban public transport provisions, and agreements are also signed between cantons when necessary. The Confederation also continues to collaborate with the cantons on regional public transport (agreements on provisions), the construction and maintenance of the main roads, protection against noise, protection of nature and the landscape, of water and the woods. (table 11)

table 11. Indication of the tasks and powers related to transport infrastructures under the new compensation in Switzerland (from 2008).

Tasks	Confederation alone	Cantons alone	Combination Confederation-Cantons	Cantons together
National roads	X	-	-	-
Aerodromes	-	X	-	-
Separation of traffic flows / level crossings	-	X	-	-
Urban public transport	-	-	X	X
Regional public transport	-	-	X	-
Main roads	-	-	X	-
Protection against noise	-	-	X	-
Protection of nature and the landscape	-	-	X	-
Protection of water	-	-	X	-
Woods	-	-	X	-

Sources: Created from: OFROU, 2006, AFF, 2008.

Cantonal and municipal authority

The issues of territorial administration, especially those which involve transport infrastructures, are dealt with in the Conference of cantonal governments (CdC). The cantons have also created the Community of work Cantons-Cities-Urban Areas (CT CVA), in collaboration with the Union of Swiss Towns (UVS). This dialogue has been at the basis of the tripartite Confederation-Cantons-Towns/Municipalities Conference on urban areas (CTA). The cantons have moreover played an important role in the preparation of the inter-cantonal framework agreement, which establishes the compensation of costs of the new financial compensation (RPT) which will be described below.

In principle, the cantons and municipalities are sovereign in the matters for which they are responsible according to the law. This autonomy is, however, limited by the duties of solidarity between groups.

Indeed, the historical freedoms have deepened the differences of economic and financial capacity between public groups and all the cantons do not have the same success in the face of the national or international competition, even if some qualities can offset other weaknesses.

For example, the peripheral regions do not appear to be very attractive because they are far from the big centres. The low population density and topographical factors (mountainous regions) increase the cost of the supply of goods and public services.

The big cities do of course benefit from the concentration of population and services, but they have difficulties in other aspects, especially in social welfare and public safety, where they confront increasing costs.

The new compensation should limit these problems.

Perception of the provision of transport infrastructures

The French-speaking cantons tend to indicate that the main sum of federal finances is spent in the German-speaking part, while the residents of the latter (where two thirds of the population live) observe that Romandy tends to prepare its dossiers late and, therefore, finds it difficult to be integrated in the national planning.

Another issue is the fact that transalpine traffic, which has justified huge financing of infrastructures, is essentially in German-speaking territory, but this depends more on geographic than political objectives.

The main gaps that the principal figures point out in the current system on the provision of infrastructures are:

1. the absence of an overview or of coordination;
2. the lack of openness;
3. badly defined responsibilities;
4. little or no direct democratic control or possibilities of participation.

Trans-sectorial collaboration bodies make it possible to partially relativize these problems. At the moment, however, these bodies do not have broad powers and their decisions are not binding for the member municipalities.

These organizations inspire confidence, thus fulfilling an important function, but are powerless to solve the above-mentioned problems⁵.

Conflict management

Expression and solution of possible conflicts

In Switzerland there is no typical way of expressing and transmitting the possible conflicts. In practice, it depends on the situation. At most, it can be observed that the press is the first resort of the main figures dissatisfied with official procedures, but even here the media disagree, going from more constructive information, for example in the form of informative articles in the main newspapers, to taking the position of specialists and politicians in radio or television debates, and even in street demonstrations.

An alternative to these spontaneous demonstrations via the media, and which is regularly used, consists of a parliamentary intervention, through motions, resolutions or questions. A national councillor or state councillor can use the parliament with an important and urgent issue by questioning, for example, the Transport Minister. The latter then has to provide a satisfactory answer in a short period and, if appropriate, take the measures necessary to solve the possible problem. Depending on the case, it is also possible not to deal with the subject directly, although this decision must be accepted by the parliament. The most reactive way to approach this dialogue is through the federal parliament's "question time".

The principle of "question time" in the parliament was questioned above all in 2006 (under the pretext of efficiency), but its particular importance in Switzerland, where

⁵ Tripartite conference on urban areas, 2004.

respect for minorities is a strong political value, has guaranteed its survival until now. This possibility of questioning the government is highly appreciated by the representatives of the minority parties, which often have no other way to make themselves heard.

Arguments of the regional institutions in the face of the central power

In general the regional institutions do not have the means to assert themselves before the federal administration. Thus, to obtain financing, they have to evoke some of the fundamental principles of the Confederation, three of which regularly appear:

1. *Subsidiarity* (associated with equity), which requires access to comparable goods and services for the overall population to be guaranteed in the region.
2. *Coherence* between decision-making power and payer, which requires the groups of citizens which finance (part of) some investments to be able to decide on the expenditure. The fact that all the cantons finance, through federal taxes, part of the national expenditure on infrastructures, incites the regional authorities to request, in return, federal participation in their projects.
3. *Profitability* and *efficiency*. These arguments are regularly used to support requests for federal participation in projects in which cantonal or municipal powers are shared.

At present, the issue most satisfactorily solved is probably that of the distribution of tasks and finance between the Confederation and the territorial authorities (cantons and municipalities, in accordance with the RPT indicated above).

The recurrent problems on numerous issues have given rise to a total revision of the system and all the main figures appear to clearly prefer the new situation to the previous one, a fact which in politics is rather exceptional.

Gaps of the former system

The system of transfers between the Confederation and the cantons that was in force until the end of 2007 arose from the historical evolution, but of an agreed plan. Its development, which goes back to the birth of the federal state, reflected a trend toward centralization of the state tasks and toward the corresponding federalism of execution. As the autonomy of the cantons restricted the possibilities of direct intervention, the Confederation progressively added conditions to its subsidies and formulated more demands in relation to the tasks to be executed. The result was an increasing concentration of the decision-making and financing powers on the level of the Confederation, while the cantons became mere executive bodies.

The legal bases of the transfers to the cantons were established in accordance with their financial capacity⁶, which thus played the role of main determinant of the Confederation's subsidy rates.

One inconvenience of this formula is that its inapplicability meant that it was accompanied by numerous individual measures. Consequently, it was no longer possible to manage the complex and often contradictory effects of such a system.

⁶ These bases are the constitutional article of 1958 on financial compensation and the federal law passed in 1959.

For example, the fact that the cantons with low potential resources benefited from a higher rate of subsidy than the rich cantons obviously corresponded to a desire for equity, but this practice incited especially the financially weak cantons to make inappropriate expenses and therefore to an overall suboptimal use of the resources granted. Moreover, as almost half of the financial compensation was related to the execution of federal tasks and, often, the subsidies depended on the supplementary contributions of the cantons, the latter were forced to increase their budget in order to obtain higher federal payments. Thus, in particular the cantons with low potential resources were incited to increase their state activities and therefore their tax burden, which made them even less attractive for the economic agents which could precisely have increased their potential resources!

Another failing of the former system was due to the way of calculating the financial capacity index which was used as the basis for the Confederation's compensatory payments. The cantons with a low financial capacity were prisoners of a vicious circle, in which it was more advantageous to remain in a position of need than to leave it.

Thus, despite its high volume, the system of transfers and financial compensation had not made it possible to attain its objective of equity, that is to reduce the economic and financial differences between cantons.

Solution to the problem of distribution of financial responsibilities and capacities

The new system of distribution of tasks and financial flows (RPT) is based on the following four principles:

1. The development of the tasks, the aim of which is to obtain a better distribution of the missions which fall upon the Confederation and the cantons. Between 2007 and 2008, about ten tasks came under the sole responsibility of the Confederation, and another ten under that of the cantons. Moreover, the financial capacity criterion of the cantons is not considered directly in the financial flows any more.
2. New means of collaboration and of financing. For the tasks which continue to be shared by regional authorities and Confederation the provision contracts have been established, together with programmes covering several years and global subsidies at a fixed price (financing fixed in advance incites the operator to use it in the best way possible, making it responsible for the effective result).
3. A strengthening of the collaboration between cantons through an "*inter-cantonal framework agreement*" which forms a new institutional basis. This agreement is accompanied by a compensation of costs and is intended to achieve a better organization of provisions in spheres such as urban mobility, waste, wastewater and culture.
4. A new compensation system, which a) curbs the cantonal participation in the federal revenues and in the profits of the Swiss National Bank and b) establishes a general compensation for the resources, and two supplementary compensations, the former offsetting the excessive costs due to sociodemographic and geo-topographical factors, and the latter constituting a system of compensation in cases of need.

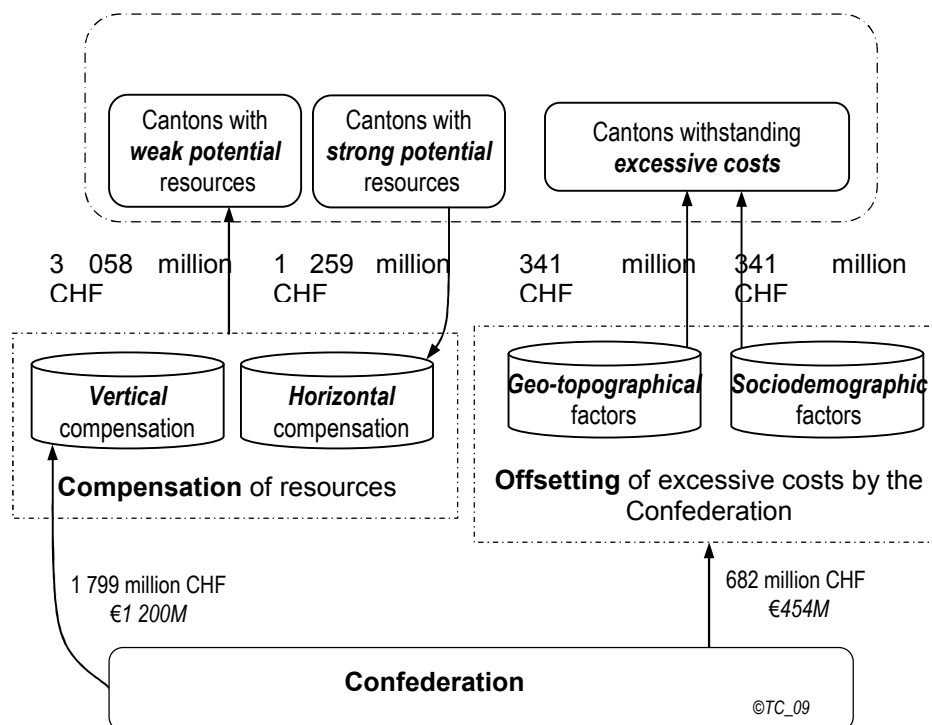
Autonomy and the right to decide

In terms of autonomy and of the right to decide on infrastructures, the first of these four items predominates. Indeed, with the development of tasks, the Confederation is *solely* responsible, for example, for national roads, while the construction and operation of the main (cantonal) roads are a power *shared* by the cantons and the Confederation.

Until the RPT, the tasks and financial flows between Confederation and cantons were so mixed that some cantons with a low financial capacity obtained “*the right*” to build infrastructures for the account of the Confederation, even if they did not appear among their priorities, while the Confederation rejected other, more modest, items, for *priority* cantonal investments. To put an end to this type of dysfunction, from now on the Confederation only accepts the tasks that the cantons cannot fulfil with their own means.

Although the development of the financing entails the disappearance of the subsidies of the former regime, it allows the cantons to obtain more funds for *free* disposal. They thus increase their autonomy because they can fix their own priorities and at the same time destine these federal financial means to carry them out. (figure 12)

figure 12. New Swiss financial compensation system (since 2008).



Source: Federal finance administration, AFF 2008.

From among the spheres that came under the exclusive responsibility of the Confederation on 1 January 2008, the most important is that of the national roads. As the proprietor, the Confederation accepts the ownership and therefore the planning and the management of the construction and of the maintenance. It thus

also finances all the costs, while until then its (average) contribution only amounted to 87% for the construction and the major maintenance and to 67% for the ordinary maintenance.

As the national roads became the property of the Confederation, the Federal Roads Office (OFROU) created “regional antennae”, five external units, distributed around the Swiss territory and which fulfil the services that the cantons previously carried out.

The cantons continue, however, to be involved in some specific areas. They take on, through service contracts, the maintenance of the infrastructures and they continue to provide police services for accident prevention and urgent interventions. They moreover collaborate temporarily to guarantee the completion of the network of national roads as decided before the RPT.

To summarize, with the RPT, the Confederation takes over the full control of the national roads, while before it financed the majority of the constructions and the maintenance, although not all, and delegated control to the cantons.

The cantons now receive overall subsidies (all sectors), which they can freely destine to the operation and maintenance of the main roads⁷. The new distribution of tasks between Confederation and cantons in relation to national roads (NR) is shown in [table 13](#).

For the OFROU, this operation is “*decentralization*”, because the federal office has created regional antennae, while its historical activities were based in Berne. On the other hand, for the 26 cantons, it rather represents “*centralization*”, into just 5 units.

table 13. New distribution of tasks relating to national roads.

Tasks	Federal powers	Cantonal powers
Completion of the network	OFROU financing approx. 87%	Cantons in associations financing approx. 13%
Extension of the NR Maintenance of the NR - UplaNS - Isolated measures	OFROU financing 100% Management: 5 subsidiaries	no
Ordinary maintenance of the NR Ordinary maintenance, minor works	OFROU financing 100% Management: 11 Territorial units	Provision mandates
Traffic management	OFROU financing 100% Management: National centre in Emmen	Police

Notes: NR: National Roads; UplaNS: main maintenance centres. Source: OFROU, 2008.

From the legal point of view, it should be said that the new financial compensation has given rise to 27 modifications of the federal Constitution (which is recent: 2000), especially to clarify the forms of construction and maintenance of the network of national roads.

⁷ Cf. RPT: distribution of the tasks.

Federalization of the shared tasks

As described above, with the new system (RPT) all the activities in relation to national roads (construction, adaptation, maintenance and operation, including traffic management) depend solely on the Confederation. Calling “*national roads*” those which made up the motorway network, the Confederation had legitimized through its vocabulary a logical responsibility for this level of infrastructure. With the RPT, it transforms this de facto state into law.

The idea of continuing to involve (in a low percentage) the cantons until the completion of the network of national roads arises from a temporary provision which allows the continuity in the most harmonious manner possible of the management of the works already planned or begun, but does not under any circumstance preserve the power of the cantons.

In practice, the increase in powers of the central power has generated important objectives: 1. the movement of human resources from the cantons toward the five antennae of the OFROU (although a small total number of jobs), 2. the creation of a national infrastructure management and operation system, 3. the transfer from the cantons to the Confederation of the ownership of all the sections of national road, including the related rights and obligations (approximately 20 000 sections, with a total surface area equivalent to that of the canton Basel-City), 4. the change of administrator of all the adaptation and maintenance projects, ensuring the continuity of the management⁸. By way of size, it is estimated that the overall documents transferred from the cantons to the Confederation between 2006 and 2008 represent over 7000 linear metres of dossiers!

Since the RPT, the cantons and the cantonal bodies have been attributed the role of supplier for maintenance. This is granted through supply contracts (mandates).

It should thus be underlined that a set of tasks with strong financial implications has passed from the cantons to the Confederation (project management, planning of the awards, execution of the acquisition procedure, and reception of the works and supervision of those that are under guarantee). It is indeed a question of a *loss of effective power*, but numerous cases of excess cost in constructions of roads under the former regime, and therefore under control of the cantons, left the citizens in doubt as to the competence of the cantonal managers in this matter. The Swiss press has often condemned the financial waste in projects promoted by the cantons and subsidized by the federal government, especially in the construction of road infrastructures, where the contribution of the Confederation is in the order of 85% of the budget.

This wastage in the past is attributed to two causes (which are not mutually exclusive): 1. investments with a mistaken real usefulness and 2. excess costs due to a bad valuation of the project or to insufficient supervision of the works. However, these two problems mainly arise from the responsibility of the cantons. With the new system (RPT), the authorities hope that the grouping of contracts on a federal level will help the comparison of offers and the quality of the provisions actually supplied by the companies.

In short, the success of this grouping will depend on the Confederation’s capacity to assume its role in an effective, impartial manner, anticipating future problems. On the

⁸ In some cases, the transfer of the management of the dossier took place simultaneously with... the physical transfer of the cantonal collaborator to the new “*antenna*” of the OFROU.

other hand, it raises the threshold of the organization and political lobbying activity of the cantons by one level: it is no longer sufficient to endorse a cantonal need in order to obtain a subsidy for a motorway, but rather it is necessary to prepare a coherent request at least on the regional level.

Vision underlying the decision-making

As the federal Constitution says, the Confederation follows a policy described as “*sustainable development*” (art. 2, par. 2). In facts, this results in a search for a balance between economic efficiency and solidarity in the long term. The environmental aspect exists, is very present in the speeches, but tends to be considered only case by case in decision-making. Essentially, it is applied to the sectors where the law requires an environmental impact assessment.

The case of the RPT indicates, however, that the Confederation plays an essential role in the definition of the legal framework in which the policies are established which will decide on whether or not infrastructures are created. Once this framework has been defined, the Confederation delegates responsibilities and means.

It is possible to make large savings thanks to the following parameters: 1. the principle according to which the payer is also the leading authority, 2. an increasing application of the compulsory national rules, 3. a better planning of the maintenance, 4. economies of scale expanding the parameters of action, 5. an optimal planning of the contracts for acquisition of land and 6. the change, in relation to ordinary maintenance, to remuneration by mandate instead of remuneration in accordance with the work carried out⁹.

Importance of the non-institutional agents in the decisions

The main decisions are taken after the enquiries, and these enquiries are open to all the interested parties. In general, all the arguments are gathered together and influence the final decision, but only to the extent to which they allow the initial objective of the measure for which the enquiry originated to be fulfilled. However, this enquiry generally comes from a popular vote or from a European decision (which has been accepted by the population in the framework of bilateral relations).

However, it is quite clear that the best organized parties or groups obtain more influence, which allows them to ensure that their arguments are not “*lost along the way*”. These objectives will be illustrated below by means of the subject of Alpine traffic.

Combination of non-institutional agents and requests from neighbouring countries

The configuration of transalpine transport provides a particularly surprising example of the importance of non-institutional agents and of the influence of neighbouring countries on Swiss policy. While Europe was integrating, Switzerland had decided by popular vote not to participate directly in the Union, but rather to sign bilateral

⁹ Dieterle, 2006.

agreements with each of the member countries. Among the seven bilateral agreements signed, the one on terrestrial transport represented very specific demands, but essential in the eyes of the Swiss people. The country accepted to open up, from 2001, Swiss territory to lorries of over 28 tons (which was the rule until then). On the other hand a tax was established for lorries proportional to their features (RPLP). The profit from the RPLP was used to finance the transfer of goods from road to rail. This transfer would be carried out in two stages. First, with important subsidies for the railway motorways between the north and the south of the country and, immediately afterwards, with the boring of two new transalpine railway tunnels, the "*New alpine railway lines*" (NLFA).

However, a popular initiative, the "*Initiative of the Alps*", was accepted in 1994 by the Swiss population (against the opinion of the federal government), which legitimized this political position in the face of Europe. Indeed, the Initiative of the Alps led to the inclusion of a transalpine transport strategy predominated by the railway in the federal Constitution, so that the government was obliged to seek, in its negotiations with the countries of the European Union, solutions which made it possible at the same time to respond to the demand for standardization of Swiss roads for 40 tons and to respect the Constitution... which banned the construction of new roads across the Alps (while they would have been necessary for lorries of 40 tons to pass).

In the design and application of this specific policy, the political grouping "*Initiative of the Alps*" played a determinant role. First, it drafted a popular initiative anticipating the European pressures for the opening up of the Swiss network to lorries of more than 28 tons, and later it supported the political dossier at all the bureaucratic and decision-making stages, and those relating to transport science and the environment, mobilizing when necessary scientists, the media and politicians.

Thus, paradoxically, without the pressure of the neighbouring countries to increase road traffic, the Initiative of the Alps would undoubtedly not have achieved an improvement in rail transport through Swiss territory.

Effects of liberalization on infrastructure policy

The liberalization policies are a true source of stress for the public service spheres. However, the client also perceives the dynamism that they represent. The perception of this fundamental movement is not precisely territorial, but rather general for the whole country. A great advantage of the accounting separation prior to any attempt at liberalization is the fact that it allows the result to be updated as regards numerous services, although it runs the risk of underestimating some added values difficult to convert into monetary terms, such as quality of customer service.

The transport companies of the cantons and of the cities have been converted into "Public Limited Companies", generally with the same personnel and often the same name as before the liberalization. Sometimes the identity is highlighted more than before. However, what changes progressively and fundamentally is not seen from outside. These companies are now exploiting the possibility of creating new offers, of rationalizing that which already exists and are negotiating very actively with the transport services of the cantons. This dynamics could not emerge with the former system, in which it was obvious that a transport company created debts and that the canton had to wipe them out in any case.

On the other hand, big transport companies have opened up to foreign capital. The most important case is Swiss, which appointed as its head an ex-member of Lufthansa and which, after having dismissed thousands of workers, was acquired by this same company. In the rail sector, in 2008 the company BLS Cargo assigned 45% of its capital to Railion Deutschland AG (goods subsidiary of Deutsche Bahn). The Swiss Federal Railways (SA) (also) ended up including in their management an ex-member of the board of directors of Deutsche Bahn, but it appears that at the moment they are satisfied with collaborating with the neighbouring countries on high-speed passenger traffic. There are negotiations with the goods sector of SNCF (the French railway), but they are progressing cautiously, after (maybe) the failure of a Utopian attempt to control the Italian goods transport.

Environment and transport infrastructures

In Switzerland, the Federal Territorial Development Office (ODT) is responsible for the transport-environment interactions, in particular coordinating studies which directly involve the Federal Environment Office (OFEV).

Inter-office working groups usually solve the important issues, with consultants who are entrusted with performing certain studies.

As for the cantons, the process is overall similar, with the sole difference that the cantonal environment services are in charge of leading the projects, in accordance with the cantonal territorial development services, those for transport and those for roads. These cantonal activities respect the federal laws.

In the framework of federal financing of the projects in urban areas, which represent important investments in transport, the environmental aspect plays a very important role. Indeed, in 2008 the Confederation rejected various cantonal projects because they did not take environmental objectives sufficiently into account, stigmatizing in particular their lack of incitement to use public transport.

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