

## News from Europe

### ● European research project on integration in public transport

The European Commission released in July an invitation to tender for a study on the issue of integration in public transport. The study aims to improve the understanding of the nature and benefits of integrated transport services, of the incentives and disincentives for operators to act in integration schemes, particularly in situations where more than one operator is present and where there is an element of competition in place. It will also look at the type of regulatory powers that are needed to make integration work successfully.

On the basis of the study's findings, the Commission will decide whether further action is needed at the European level.

[http://europa.eu.int/comm/dgs/energy\\_transport/index\\_en.html](http://europa.eu.int/comm/dgs/energy_transport/index_en.html)

### ● Launch of the CIVITAS Forum

The CIVITAS Initiative, which was launched by the European Commission in 2001, addresses the challenge to achieve a radical change in urban transport through the combination of technology and policy based instruments and measures. Through this initiative, the European Commission is providing financial support to 19 cities that wish to test and demonstrate the effectiveness of integrated action (Aalborg, Barcelona, Berlin, Bremen, Bristol, Bucharest, Cork, Gdynia, Gothenburg, Graz, Kaunas, Lille, Nantes, Pécs, Prague, Rome, Rotterdam, Stockholm, and Winchester).

The CIVITAS FORUM aims at providing a platform for the exchange of ideas and experiences between the 19 CIVITAS cities and other cities committed to introducing ambitious urban transport strategies. The CIVITAS FORUM will be open to ambitious cities that want to find out more about the usefulness of individual measures for clean urban transport and the best way to combine and integrate them on a large scale. Participant cities will have to prove their political and technical commitment to introduce ambitious integrated urban transport strategies. The first meeting of the CIVITAS FORUM will take place in Brussels on 9th October.

[www.civitas-initiative.org](http://www.civitas-initiative.org)

### ● Horizontal evaluation of services of general interest at the European level

Following the European Council of Laeken (December 2001), the European Commission published last June a methodology for the assessment of services of general interest at the Community level. This move is linked to the Cardiff process of monitoring of the performance of the internal European market. It is indeed essential that services of general interest perform well if the European Union is to achieve the objectives of sustainable growth, employment and cohesion set in the European Treaties.

The evaluation, which shall start in 2003, will look at how competition has evolved in these sectors, what has been the impact of market-opening, and how these changes have been perceived by users. To this end, the Commission will regularly produce indicators measuring consumers' satisfaction regarding the provision of services of general interest. These indicators will take into account price affordability, quality, accessibility, market transparency, registered consumer complaints, contractual relations with providers and regional dimensions of service provision among other issues.

Local and regional public transport will be part of this evaluation, which will look at bus, light rail/metro, and railway services in a segmented way.

[http://europa.eu.int/comm/economy\\_finance/index\\_en.htm](http://europa.eu.int/comm/economy_finance/index_en.htm)

### ● New step towards harmonisation of taxation on commercial diesel fuel in the European Union

In order to achieve better environmental protection and to eliminate huge problems of distortion of competition in the EU's liberalised road transport markets, the European Commission presented last July a proposal to harmonise gradually Member States' excise duty on commercial diesel fuel and to align minimum excise rates on non-commercial diesel and unleaded petrol. Commercial diesel is defined as diesel used by vehicles over 16 tonnes and by buses and coaches which can carry more than 9 people. The proposal would establish a target rate of €350 per 1,000 litres from 1 January 2003, allowing Member States a gradually narrowing scope so as to arrive at a single harmonised rate by 2010.

As for non-commercial diesel (used by private individuals), the proposal would apply the same minimum level of excise duty as unleaded petrol by 2006 since there are no environmental or other reasons to justify the present lower minimum rate on diesel. Moreover, the proposal would increase the present minimum rate of duty on unleaded petrol from €287 to €360.

Excise duties on diesel vary greatly today in the European Union, from less than €300 per 1,000 litres (Austria, Belgium, Greece, Luxembourg, Portugal, Spain) to more than €700 (UK).

[http://europa.eu.int/comm/taxation\\_customs/taxation/taxation.htm](http://europa.eu.int/comm/taxation_customs/taxation/taxation.htm)

### ● Operating companies take position on the project of new European regulation on public service requirements

Two groups representing the interests of some of the main public transport operating companies active in Europe adopted positions on the draft new regulation on public service requirements in the field of public transport.

In its position statement, the group of the European multi-national operating companies (Alsa, Arriva, Concordia), Connex, FirstGroup, Keolis, National Express and Transdev, expresses the opinion that a competitive environment is a natural incentive for public transport service suppliers to be market-driven and customer-focussed, bringing innovations and a higher productivity to the sector, and at a lower cost to public finances. That's why these companies ask for the regulation to be refocused on the principle of regulated competition and oppose the modal exceptions from competition proposed by the European Commission, since such frameworks could lead to the disintegration of public transport systems. Concerning companies owned by authorities and direct operation of services by authorities, the multi-national operators acknowledge the need for an exemption from competition for a limited period of time.

Contrary to this, the group of public transport undertakings of major metropolises, which brings together TMB, CARRIS, ATAC, OASA, RET, STIB, RATP, Wiener Linien, TfL and BVG, asks for the possibility to keep public "reference" operators owned by authorities. This shall enable authorities to ensure that affordable services are provided whatever the state of the market and provide a realistic threat when inviting tenders, thus discouraging abusive prices and provide a benchmark from which to assess the cost-effectiveness of other bids. The group of public undertakings considers that direct operation is an appropriate method for operating transport networks provided that guarantees are in place regarding the transparent and efficient use of public subsidies, that is to say provided that direct operation is challenged. Lastly, the companies insist that the move from "direct control + challenge" to delegation of service through tendering procedures must be reversible.

# News from the cities

## ● COPENHAGEN: metro will start operations in October

The first phase of the Copenhagen metro will be inaugurated on 19th October. This phase is 14.5km long. The phase 2A shall start operations in May 2003, phase 2B at the end of 2003, and the last part, running to the Airport, in 2007. The total length will reach 21km, half of which elevated, and the rest in tunnels. There will be 22 stations, nine underground and 13 elevated.

34 trains will be on operation, each with a capacity of 300 passengers (96 seated and 204 standing). The average travelling speed will reach 40km/h. The metro will run around the clock with headways of 90 seconds at rush hours. During the night, trains will run every 15 minutes. Trains will be fully automatic, but there will be a metro steward in each train. His job will be to check the tickets, provide information and help the passengers.

75,000 passengers are expected daily.

Works were carried out by the international consortium Comet, and the rolling stock will be supplied by the Italian manufacturer Ansaldo. The company Metro Service A/S, a subsidiary of Ansaldo, will be in charge of operations and maintenance of the system for the first 5 years.

The total cost of the system will amount to €1.45bn. It will be financed by loans that will be paid back in 25-30 years. Revenues will come from three main sources:

- ticket sales,
- sale of land by the Ørestad Development Corporation, a public company owned by the City of Copenhagen (55%) and the Danish State (45%) with an aim to developing the new Ørestad neighbourhood of 310 ha that will be served by the metro (20,000 new inhabitants, 60,000 new jobs and 20,000 students),
- contributions from the County of Copenhagen and the City of Frederiksberg.

[www.m.dk](http://www.m.dk)

## ● EDINBURGH: city centre road tolls get green light from residents

The projects of road tolls in Edinburgh, the capital city of Scotland (500,000 inhabitants), are likely to go ahead after a majority of residents supported the plan to introduce a €3.2 charge to enter the city centre between 7 am and 7 pm at a consultation carried out by the Municipality last summer. The charging proposals, which would be introduced in 2006 at the earliest, are aimed at reducing congestion and helping to pay for transport improvements such as a tram network. The initiative is indeed expected to provide about €1.4bn over 15 years. Other results from the consultation showed that 88% of people are strongly in favour of devoting more money on alternatives to the private car and that more than three quarters of people also favour speed limits of 20 mph (35 km/h) in the streets of the city. The final decision about the introduction of road tolls will be reached in November by the City Council.

[www.edinburgh.gov.uk](http://www.edinburgh.gov.uk)

## ● FRANKFURT: new steps reached by RMV to provide high quality public transportation

- special fares for long distance travellers on RMV region.

Since 1st August, long-distance travellers on DB national railways have access to reduced fares (up to 45% of price reduction) if they use local public transport once they have arrived in the RMV region. This new offer results from an agreement between RMV and DB.

- new quality standards for buses in the RMV Region.

The RMV board decided in June to set some minimum standards for all buses in the RMV Region, both for local and regional services. All vehicles will have to be low-floor, air-conditioned, and less than 12 years old. Some space will be provided for rolling-chairs and advertisements preventing passengers from having a clear view will be forbidden. This decision will mean higher investments from operating companies to meet the new requirements, but companies will also benefit from this measure that will enable them to have better rolling stock and thus be more competitive.

- all regional services will be procured through tendering procedures in 2014.

The RMV board decided in June that all regional transport services, for which RMV is responsible, shall be procured through tendering procedures within 8 years for buses, and 13 years for rail services. The regional network will have to be split into economically coherent bundles of routes. The sub-networks will be procured progressively between 2004 and 2009 for bus routes. Concerning railways, the scheme will consist in three major steps:

- the routes with little rolling stock and bigger feeding axes (2004-2012)
- the main regional routes (2005-2012)
- and, lastly, the metropolitan S-Bahn network (2014)

This schedule aims to help companies prepare themselves and enable as many as possible to take part in the coming tendering procedures.

[www.rmv.de](http://www.rmv.de)

## ● Contactless ticketing in 2003 in LISBON

Carris, the operator of the public transport systems of the Portuguese capital city, will introduce new ticketing technology at the beginning of 2003 in a dual system :

- contactless smartcards for season passes,
- magnetic technology for other tickets.

New automatic vending machines will be installed in stations.

The new card will be called Lisboa Viva. It will enable the company to have a precise knowledge of trips (origins and destinations, times of trips, etc.). It shall also help fight against fraud and thus increase revenues from fares.

The cost of the whole project, which includes

the purchase of automatic vending machines, validating machines and on-board computers, amounts to €11m. Carris selected the company Novabase to implement it.

[www.carris.pt](http://www.carris.pt)

## ● LYONS: electronic ticketing to improve quality of service and help fight against fraud

SYTRAL, the public transport authority of the Lyons metropolitan area (1.4m inhabitants) introduced electronic ticketing for the 250,000 owners of season passes on 1st July. This new technology goes with a revolution in the habits of passengers, who now have to validate their tickets every time their travel by public transport. This decision aims to fight against fraud, which reaches a record level of 20% of travellers in Lyons, generating yearly losses in sales of €20m for the public transport authority. The fight against fraud has also led to the setting up of toll gates at the two main stations of the metro network.

The automatic validating machines are equipped to read both electronic contactless passes and single tickets, that keep the magnetic technology. A communication campaign has been launched to help passengers get used to this new habit. The contactless smartcard, called Técély, will be personalised and have a validity of 3 years. Travellers will refill their card every month in the vending machines. This new electronic technology will also enable the authority to have a better knowledge of its customers and of their mobility. It will also contribute to the integration of public transport systems of the Lyons metropolitan area with those of nearby territories.

The cost of the project reached €46m, and included the purchase of 320 automatic vending machines, 4,400 validating machines for metro stations and on board buses and tramways, and lastly 300 electronic controlling machines for ticket inspectors of the operating company.

[www.sytral.fr](http://www.sytral.fr)

## ● Strong increase of light rail patronage in ENGLAND

The British Department for Transport announced that the number of passenger journeys on light rail systems in England increased by 6% between 2000 and 2001 and reached 127.3 million trips.

There are currently six light rail systems in operation in England:

- Croydon Tramlink, opened in 2000, covers 28 km on three lines in London (18.2 m journeys in 2001),
- Docklands Light Railway, opened in 1987 for a total route length of 27 km in the London Docklands (41.3 m journeys),
- Manchester Metrolink, first opened in 1992, covering 39 km (18.2 m journeys),
- Midland Metro, opened in 1999 on 20 km between Birmingham and Wolverhampton (4.8 m journeys),

- Sheffield Supertram opened in 1994 on 29 km (11.4 m journeys),
  - Tyne and Wear Metro, opened in early 1980s, covering 77 km in Newcastle (33.4 m journeys).
- A new system is currently under construction in Nottingham (14 km, due to open in 2003). Further new systems have been approved in Leeds and Portsmouth, as have extensions in Manchester.
- [www.dft.gov.uk](http://www.dft.gov.uk)

## News from others continents

### ● MONTREAL: Allego, a dedicated strategy to change mobility patterns of employees

The Agence Métropolitaine de Transport (AMT) of Montreal was created in 1996 so as to organise and co-ordinate the supply of public transport in the metropolitan area of Montreal (3.2 m inhabitants), the largest city of the province of Québec (Canada). It supervises the activities of 21 local transit authorities on a territory made up of 63 municipalities.

AMT aims to increase public transport patronage through improvements of the quantity and quality of public transport supply, but also through a policy of demand management (fiscal incentives, parking policy). Employer programmes are part of this policy.

Each employer programme signed between AMT and an employer starts with a survey of the mobility patterns of employees. An action plan is then devised so as to promote the use of alternatives to the private car, and a monitoring enables to follow the results achieved. The whole project has been branded "Allego".

The tools proposed by AMT to employers taking part in one such programme concern:

- car-pooling, with the setting-up of dedicated software, communication devices, and incentives to convince the employees reluctant (such as the guarantee of car-poolers to have a parking lot close to their offices or the commitment by the employer to pay a taxi for employees renouncing to take their car in case a problem happens with car-pooling),
- improvement and customisation of the public transport supply (shuttle service, adaptation of schedule, sale of tickets in the company, move of bus stops closer to the company, etc.),
- organisation of workshops of awareness on the alternatives to the private car to employees,
- incentives to bike or to walk to work

(creation of parkings for bikes, showers and wardrobes to change clothes).

The project has received € 6.5 m of grants from the Québec Department of Transportation. The targeted market of employer programmes is made of 115,000 employers and 35 universities and colleges. The objectives set by AMT for 2005 are that 250 employers have voluntarily signed an employer programme, with the public sector employers setting the example. This could lead to a 10% drive-alone reduction among participating employers.

[www.atm.qc.ca](http://www.atm.qc.ca)

### ● SYDNEY: increased bus patronage thanks to bus priority lanes

According to the Roads and Traffic Authority (RTA) of Sydney (Australia), the bus priority lanes set up since 1997 have led to increased bus patronage and reduced congestion. The RTA estimates that the 10 bus priority lanes in the Sydney Central Business District have led to a 22 to 27% improvement of travel time of buses on Sydney's most congested routes. The bus lane created on the Sydney Harbour Bridge has for example reduced bus travel from Sydney's suburbs to the Central Business District by 5 to 20 minutes and has increased patronage by 5 to 23%.

A survey showed that 91% of all Sydney people support bus lanes at peak hours and 89% say buses carry more people and should have priority.

[www.rta.nsw.gov.au](http://www.rta.nsw.gov.au)

## Analysis

### Transport Direct: multi-modal information for any trip in the UK

The Transport Direct programme was announced in July 2000 as part of the British Government's 10-year Transport plan. The aim of the programme is to provide the traveller with all the information they need before and during a journey anywhere in the UK and with the ability to buy the associated tickets. The vision covers travel by all modes - air, car, train, tram, tube, taxi, bus, coach, ferry, bike and on foot - plus, importantly, mixtures of these modes.

The centrepiece of Transport Direct will be a one-stop information point for all forms of travel information. In addition to schedules and details of any disruption on the chosen route, travellers will be able to look at maps of the area they are intending to visit. There will also be information for disabled travellers. Further services may be incorporated, such as information on places of interest, hotels or restaurants.

Transport Direct aims to exploit new forms of communication technology. Ultimately, it will be possible to access travel information

via the Internet, digital TV, mobile and WAP phones, other handheld devices and kiosks in streets and places like public libraries. The Transport Direct programme will take seven to ten years to implement. By 2003, it is expected to include:

- real-time train operating information,
- real-time information on many local bus services,
- multi-modal travel information on the Internet, covering road journeys as well as public transport modes at a single point of contact,
- booking of long-distance multi-modal journeys on the internet,
- development of Internet-based maps, which allow travellers to examine public transport options both for visiting a specific venue and for general travel around an area they are considering visiting.

Many aspects of Transport Direct are already available, and a number are provided by the private sector and by local authorities. Transport Direct is not aiming to compete with any of these services. The Government sees Transport Direct as providing the glue that will enable these different services to stick together, so that the traveller can easily examine all the options and make mixing modes much more straightforward.

The money required to develop and maintain Transport Direct is likely to be generated from a number of sources:

- transport operators are likely to see increased patronage for their services, leading to revenue gain - the carrier benefit,
- commission can be earned for ticket sales - the retailer benefit,
- some services, particularly those tailored to an individual's needs, could be charged - value-added service income,
- additional mobile communications traffic and the opportunity to target non-transport services may lead to further income.

Public funding will be provided in areas where there is a social need rather than commercial to develop information services or where some research is needed to enable a truly comprehensive service to be available to the public. Public funds are likely to be directed to development costs, rather than to providing continuing revenue once a service is running.

Transport Direct can be looked at as a form of shopping mall: a way of providing the common roof, the warmth, the security, the map pointing the consumer in the right direction. The mall leads to a number of individual shops, each of which might sell the necessary ticket, and because they are all in the same place, it is easy to drift between them. If the consumer would prefer not to use the mall, the shops also have a doorway directly on the street, allowing the consumer to walk straight in and purchase a ticket immediately.

The contract for designing, building and operating the Transport Direct Internet Portal will be awarded in November.

[www.dft.gov.uk](http://www.dft.gov.uk)

# Focus

## What future for public companies with the introduction of competition in public transport ? The situation in Amsterdam.

As everyone knows, one of the key issues at stake with the draft European regulation on public service requirements, currently discussed in Brussels, is to know what shall be the future of public operating companies in situation of monopoly. The position of the European Commission is that competition should become the normal way of awarding public service contracts, so as to ensure that public subsidies are granted to the most efficient companies. The opponents of the project say that local authorities should be free to choose the way in which they want their public transport services to be operated, and to refuse competition if they prefer to have their own public companies. The current debates in Amsterdam about the future of the municipal public transport company GVB illustrate the difficulty to combine public ownership of operating companies and introduction of competition.

### Presentation of GVB

GVB (Gemeentevervoerbedrijf) provides public transport within the municipal borough of Amsterdam. It was created in 1900 when several private bus companies were merged into one single company depending on the Amsterdam municipal authority. Tramways and ferries were later amalgamated into the company, which now operates 55 daily bus routes, 11 night-bus routes, 17 tramway routes, 4 metro routes, and 4 water services. The company, which is on a legal point of view a department of the Municipality of Amsterdam, employs some 4,500 employees, who have the status of civil servants. The financial situation of GVB has steadily deteriorated since 1988 due to substantial fare evasion - which reached record levels of 25% of passengers in buses and tramways, and high operating costs. After several years of financial losses, the company reached the break-even point in 1997, and the profit has kept growing ever since (€ 10m in 2001). However, the municipality intends to reduce its subsidies to GVB.

### Introduction of competition in public transport in the Netherlands

The Passenger Transportation Act 2000, which has transferred the responsibility for public transport organisation from the Dutch central government to 35 local authorities, also approved the progressive introduction of market forces for the award of public transport services to operating companies (35% of urban and regional transport services will have to be tendered in 2003, and 100% in 2007). About 80 franchises have been defined by the transport authorities. A franchise is a contract through which a transport authority awards exclusive rights for a limited period of time to an operating company. A mid-term assessment will be carried out in 2004 by the Minister of Transport so as to decide if the process shall go on. In the region of

Amsterdam (1.2m inhabitants on a territory of 1,000km<sup>2</sup>), 4 franchises have been defined by the Regionaal Orgaan Amsterdam (ROA), an authority bringing together 16 municipalities, responsible for organising public transport. Travellers' Advisory Council (RAR in dutch) have been set up so express the expectations of travellers for each of the franchises. In 2006, it is expected that ROA will award franchises for the period 2006-2012 through tendering procedures. In order to have a chance of winning the contract in 2006, GVB must become a competitive company. But this is not the case yet, especially as far as production costs are concerned. In 2001, the costs of operations reached a total amount of € 355m, for 246 million passengers and 958 million passenger-kilometres. Revenues from passengers only amount to 27% of operating costs. Subsidies awarded by the Amsterdam Municipality amounted to € 216m, that is to say 58% of the revenues of GVB.

### The project of privatisation of the company and the outcome of the referendum

The municipality of Amsterdam approved in 2001 the project of turning GVB into a private company. In a first stage, the municipality would have owned 100% of the shares of the company. The staff members would have lost their status of civil servants. The privatisation also intended to split the responsibilities between the municipality and GVB. A referendum was held on the project of privatisation on 15th May 2001. But privatisation was rejected by two thirds of voters and has therefore been given up by the Municipality. It was decided after the referendum that the company would keep up with the Business Plan, which aims to reduce production costs by € 32m every year and to improve quality, that is to say a reduction by 9% of costs. This reduction of costs will be achieved through reduction of staff absence through illness (18%) and reduction of overstaffing. If cost reductions achieved are in line with the objectives, then the Amsterdam authority will try to obtain from the Dutch government that public transport be directly awarded to GVB without competition procedures. Though GVB won't be privatised, the company will be managed in a more autonomous way from the Municipality. If GVB reaches market-standard production costs by 2006, all public transport services will be tendered out in one single contract for the period 2006-2012, so as to give GVB the best chances to win the contract.

### What lessons are to be learned from the Amsterdam experience ?

The Amsterdam case highlights some key issues at stake for public companies involved in a world where competition is becoming the normal way of awarding public service contracts. The first lesson is that public companies must be efficient, even when they

are active in a public service sector. Companies which don't manage their costs properly - especially their personnel costs - always end up in trouble. It is not because GVB won't be privatised that the pressure to reduce costs won't be the same in the end. The second lesson is that competition can act as an incentive, or as a threat, to force public companies to become more efficient. This is what some public operators ask for under the name of "challenged direct operations" : the possibility to be able to survive as public companies provided that they are as efficient as competitors, and that they can prove it. Lastly, decision makers should not underestimate the sentimental attachment of the population to some public companies, even though the supply of service is not always satisfying. The strategy followed in Stockholm, where the logo, the brand and the image of the former SL public company were kept after the introduction of competition, can be a good way to provide a continuity.

[www.gvb.nl](http://www.gvb.nl)

## Agenda

### ● Launch of the CIVITAS Forum At the initiative of the European Commission

9 October 2002 - Brussels, Belgium  
[www.civitas-initiative.org](http://www.civitas-initiative.org)

### ● Tram Train 2002 - 10 years of dual-mode operation

7-18 October 2002 - Karlsruhe, Germany  
[www.tramtrain.org](http://www.tramtrain.org)

### ● 3rd EMTA Workshop - Transport and land policies: what lessons for transport authorities ?

21 October 2002 - Frankfurt, Germany  
E-mail: [emta@emta.com](mailto:emta@emta.com)

### ● Light Rail 2002 15th International Conference and Exhibition Electrifying Urban Public Transport

22-24 October 2002 - Manchester, UK  
[www.transportscience.co.uk](http://www.transportscience.co.uk)

### ● Energy and Transport 2002 Conference - Organised by the European Commission

11-13 November 2002 - Barcelona, Spain  
[http://europa.eu.int/comm/dgs/energy\\_transport/index\\_en.html](http://europa.eu.int/comm/dgs/energy_transport/index_en.html)

### ● European Research 2002: at the crossroads - Launch of the EU's Sixth Framework Programme for research (2002-2006).

11-13 November 2002 - Brussels, Belgium  
E-mail: [rtd-conference2002@cec.eu.int](mailto:rtd-conference2002@cec.eu.int)

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