EMTA
EUROPEAN METROPOLITAN TRANSPORT AUTHORITIES

Proceedings

What public transport authorities for the European metropolitan areas ?
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EUROPEAN METROPOLITAN TRANSPORT AUTHORITIES
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SUMMARY

✍ **Taxes collected on employers: the French "Versement de Transport**
Stéphane LECLER, Syndicat des Transports d'Ile-de-France (Paris)

Conclusion by José-Ignacio ITURBE-LOPEZ, Director General of the Consorcio Regional de Transportes de Madrid, President of EMTA

Introduction

Stéphane LECLER
Secretary General of the EMTA

The association of the authorities responsible for European metropolitan transport (EMTA), which groups together nearly 30 authorities responsible for public transport networks in the great European cities, organised on the 8th November 2001 a seminar on the subject "*What should the public transport organising authorities be for European Cities*? ". This seminar took place in Barcelona, at the invitation of the Autoritat del Transport Metropolità, the organising authority of public transport networks in this Catalan city.

The subject of the organisation of public transport in large cities has given rise to numerous studies some years ago, especially due to the perspectives of evolution of the European regulations applied to urban public transport. Now, the organisation of public transport is a particularly complex job in big cities and this is due to many reasons:

- Public transport networks in big cities are, most of the time, multi-modal, also including heavy railways which carry out an inter-urban communication role. This means that there is a great need for integration of the different modes of transport (bus, tram, trolleybus, metro, water services and railways, etc.). This integration must be technical (organisation of transfers) logical (what is the function of each mode, one is conceived to take passengers to another, etc.) and price (one transport ticket valid for different modes).

- The services are generally run by numerous operators, which also means a great need for integration (timetables, prices, transfers, information, marketing, etc.).

- The responsibilities for the organisation of public transport have splintered between different authorities. The cities often have complex institutional plans which involve different levels of authorities in charge of the urban planning and mobility policies (municipal, metropolitan area, regional and sometimes also national governments, mainly in the case of cities which are capitals). Therefore, the coordination and coherence of the intended policies is a fundamental condition for the existence of integrated public transport networks of high quality.

- The traditional type of services (urban, suburban and regional) are not always pertinent in the case of metropolitan areas, which frequently have many urban centres and secondary centres (conurbations) within their territories, sometime separated by non-urbanised or less dense spaces.

The choice between the different types of public transport organisation depends on multiple factors:

- The institutional framework and the administrative traditions of the country in question (number of different levels of public institution, number and average size of the municipalities, existence of authorities responsible for the population, etc.)

- The traditions of the country in question in the field of public service management. German cities generally have public companies ("Stadtwerke") active in all local services of a general interest (public transport, water supply, waste management, electricity

production), while the French local authorities have an old tradition of granting local public services to private operators (mechanism called "delegation of public service ").

- The public funds which can be dedicated to collective transports by the authorities. For example, especially from an economic budget point of view, the British government deregulated and privatised the public transport sector in the middle of the 80's. In other countries, it is considered normal for public transport to receive subsidies, which sometimes are very high (in France, the income from passengers covers only on average one third of the running costs).

- The history, organisation, responsibility and power of the transport operators. It is not easy for the authorities responsible to impose decisions on companies which have a higher technical responsibility and which are also more well known and valued by the passengers than the authorities themselves. This is often the case with large public companies in a situation of a monopoly (the STIB in Brussels and the RATP in Paris are the archetypes)

Despite these great inequalities between cities, there are still some points in common, the first of which is the determining involvement of the public authorities in the organisation and financing of the public transport networks. Also, today we are seeing a real convergence between cities in a certain number of elements like the generalisation of responsibility for choosing the operating companies, price integration or consultation of clients in order to get to know their level of satisfaction and expectations. In this sense it is not impossible to speak of a European model of organisation of public transport, a model which would be based on some large principles like the separation of tasks between authorities and operators and the financial involvement of the authorities in order to guarantee the public services mission of collective transports.

The following presentations, which describe the main problems relating to the organisation of metropolitan public transport through the examples of Bilbao, Barcelona, Berlin, Brussels, Copenhagen, Frankfurt, Hamburg, London, Madrid, Manchester, Paris, Prague and Valencia, allow us a vision of this.

Session 1: The emergence of public transport organising authorities in European cities.

The following papers present varied examples of the contexts in which authorities have been created in especially charge of the organisation of public transport in large European cities. It can be observed that there is an increasing tendency to federate the different public authorities into the same structure so as to coordinate public transport on the most pertinent territorial level.

The speech by Aurelio López Martín, director general of the Metropolitan Transport Body (ETM) of Valencia, presents the organisation and the missions of this structure created in may 2001 in order to organise public transport in the city of Valencia.

The presentation by Jörg Lunkenheimer, in charge of relations with shareholders of Rhein-Main-Verkehrsverbund (RMV), explains why RMV, which groups together the public authorities related with the organisation of public transport in the Frankfurt/Main Region, in 1995 succeeded the Frankfurter Verkehrsverbund (FVV) which grouped together only the operating companies of the networks in a territory which was less extensive than RMV.

The speech by Jiri Prokel, director general of ROPID, organising authority of public transport in the city of Prague, presents the history and main missions of this structure created in 1993.

The presentation by Lina Portillo, in charge of financial planning and research at the Transport Consortium of Bizkaia (CTB) describes the history and missions of CTB, an organism created in 1975 in order to build the metro of Bilbao and which, from now on, is responsible for the coordination and price integration between the different modes of transport in this city in the Basque County.

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THE BISCAY TRANSPORT CONSORTIUM: A PUBLIC TRANSPORT AUTHORITY.

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THE BISCAY TRANSPORT CONSORTIUM: A PUBLIC TRANSPORT AUTHORITY

1.- HISTORY, ORGANIZATION AND GOALS OF THE BISCAY TRANSPORT CONSORTIUM

Economic and political circumstances as well as geographic peculiarities determine the historical development of any people, thus conditioning their makeup and organization for the future. Transport is no exception to this fact and the transport network is nothing but the end result of years of history.

Moreover, the Biscay Transport Consortium (CTB from now on) is determined by the surrounding institutional framework and a small explanation is necessary in order to understand adequately its way of operation.

The Basque Country is an **Autonomous Community** within the Spanish state and features a wide-ranging **Statute of Autonomy** which allows an absolute control and power of the most important areas such us: financing, police, Basque internal revenue service, etc. A fundamental pillar of said Statute is the **Economic Accord**.

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The Economic Accord sets out a decentralized tax system in which each province takes on the responsibility of designing, managing, and collecting all of the taxes within its jurisdiction. In exchange, they pay the central Spanish government a certain quantity (quota), in consideration of the expenditure that the central Spanish government spends on the Basque Autonomous Community (non-delegated powers) and in consideration of the contribution of solidarity to other Spanish regions. This means that the Basque Territories obtain their public financial resources directly from taxpayers and that the Basque Country takes on responsibility for financing all of the institutions that comprise the Basque Public Sector (Basque Government, Provincial Governments, and City Councils) with these public financial resources.

This Economic Accord is not the result of a political deal done at a particular moment but is, instead, a historical tradition going back 800 years which has shaped our institutions and the rest of the economic areas including transport.

In 1300, the town of Bilbao was founded along the banks of the river Nervión. Seven centuries later, Bilbao is the capital of the territory of Biscay, one of the provinces of the Basque Country. Its demographic growth has gone hand in hand with that river and the industrialization of its low-lying plain.

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The **Greater Bilbao** area is currently a densely populated area with 884,000 inhabitants and has a density of 2,182 inhabitants per square kilometer located in a rugged, narrow valley divided by the Nervión Estuary which serves both as a means of communication and a barrier between the riverbanks.

The demographic weight of the Greater Bilbao area stands at around 80% of the population of Biscay and 38% of the Basque Autonomous Community as a whole.

The Greater Bilbao area is made up of clearly defined and diverse zones:

- The City of Bilbao (356,000 inhabitants), prominent in service industries, especially in the areas of administration, social service, and business.
- The Left Bank (275,000 inhabitants) which still has some industrial importance although it is on the decline. At present it is being revitalized through and special programmes.
- The Right Bank (140,000 inhabitants), which is becoming more and more of a residential area and has a growing tertiary orientation.
- The Ibaizabal Basin
- The Asua Valley, with an emerging hi-tech industrial area.

In Biscay, the 1970's were the turning point, the socio-economic structure began to change,

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manufacturing industries gave way to a greater role for service industries, employment structure began to vary and women started to join up the labour force.

The home-workplace commuting pattern which had, up to then, been characterized by proximity, started to evolve into a pattern in which commuting between home and work began to be longer in time and distance.

Consequently, **mobility** and automobile use rates grew to such an extent that the result was traffic congestion and a nearly permanent collapse of the road network in the **Greater Bilbao** area. Public transport did not offer a high-quality service and was disorganized and ill-prepared to meet the existing potential demand.

The public transport network consisted of:

- A **rail network**, made up of rail lines with their station terminals in Bilbao, all of which were cut off from each other and there was little circulation within the downtown area.

- A **bus network**, extensive but haphazard with urban buses run by the Bilbao City Council and intercity buses run under a concession granted by the Biscay Provincial Government.

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This scene brought about the constitution of a **Biscay Communications Commission** that was made up by the Biscay Provincial Government, the Bilbao City Council, and the Chamber of Commerce in order to tackle the ever-growing problem. The process started with the building of the **Bilbao Metropolitan Railway** (Metro) as the backbone of public transport in which the goals were:

- To consolidate rail service on the Right Bank, modernize it, so that it can serve the main population areas.
- To replace rail service on the Left Bank and bring it closer to urban centres.
- To build a new line under downtown Bilbao
- To facilitate connections with other railways

To deal with the building of the Metropolitan Railway, the **Biscay Transport Consortium** was set up in 1975 and was definitively constituted in 1976. The current composition of the Biscay Transport Consortium is as follows:

- 50% Basque Government
- 25% Biscay Provincial Government
- 25% City Councils through which the line runs (10 city councils altogether)

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However, the financing share is 50-50%, borne by the Basque Government and the Biscay Provincial Government.

CTB´s foundation Law stipulates the following points as powers pertaining thereunto:

a) To participate in the financing of the infrastructure **works** of the Bilbao Metropolitan Railways and carry out the corresponding **projects** and superstructure works and overall equipment.
b) To **manage the operation** of the Bilbao Metropolitan Railways through Metro Bilbao, S.A., a 100% public company belonging to the Biscay Transport Consortium.
c) To look after the **functioning of the transport system** in the province of Biscay, adopting whatever measures that might be needed to deal with the other government administrations.
d) To avail itself of the **powers** entitled to it regarding transport which were devolved to it in accordance with a plan of regulation and coordination for Public Transport in Biscay, whenever it is deemed in the interest of the public and to better streamline the transport system.

The Biscay Transport Consortium has hitherto concentrated its activity on the two main areas of authority stated above. Indeed, Line I was inaugurated on November 11, 1995 and its operation

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is run by Metro Bilbao, S.A., a **public company** in which, as indicated above, the Biscay Transport Consortium has a 100% stake.

The second line is still being built and the first phase will be inaugurated in April, 2002.

The financing is borne by the CTB, -receiving financial contributions from Institutions (mainly Basque Government and the Biscay Provincial Government and marginally the Spanish State Administration)-, -getting into debt through several financial instruments: **bonds issue** ("metrobligaciones" and metrobonds), **loans** from the EIB, and other financial entities,- **European funds**, etc.

In order to facilitate some of these operations and to bring the CTB the possibility to go directly to the market without having to depend on its Institutions, a solvency rating granted by Standard & Poors and FITCH IBCA was achieved.

The foundation law and Statutes stipulate the **coordination of transport** as one of the **responsibilities of the Biscay Transport Consortium** which has to be substantiated both through the powers devolved to it according to a **Transport** Coordination Plan, and by adopting whatever measures deemed necessary by the other government administrations towards such a goal.

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On account of the inauguration of the **Metro Bilbao**, that Government Institutions became aware of the need to **reorganize and coordinate** Public Transport in Biscay. Indeed, there was no single institution in Biscay responsible for the Public Transport of passengers but, instead, several competing Institutions.

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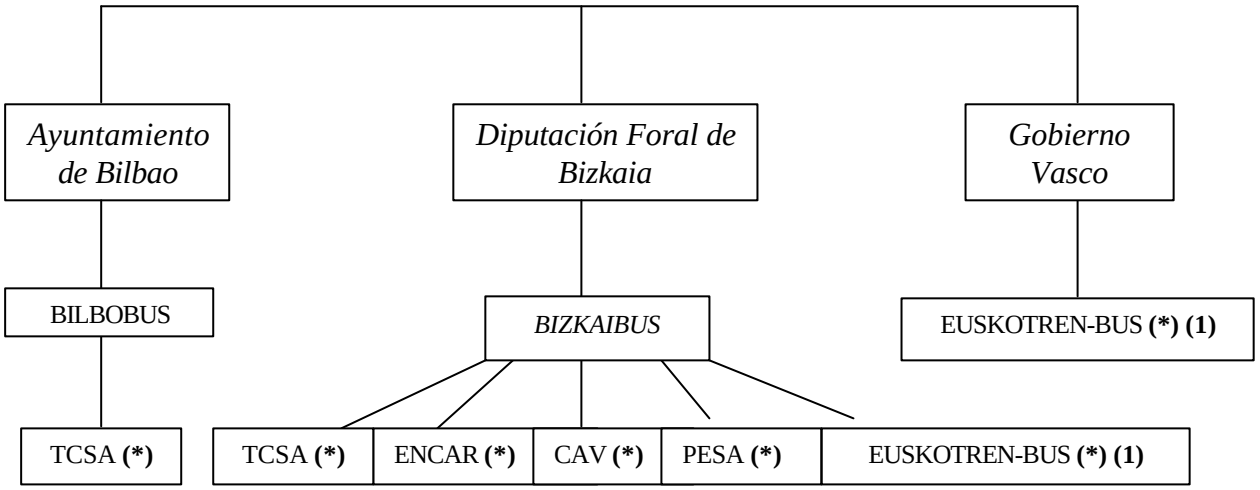
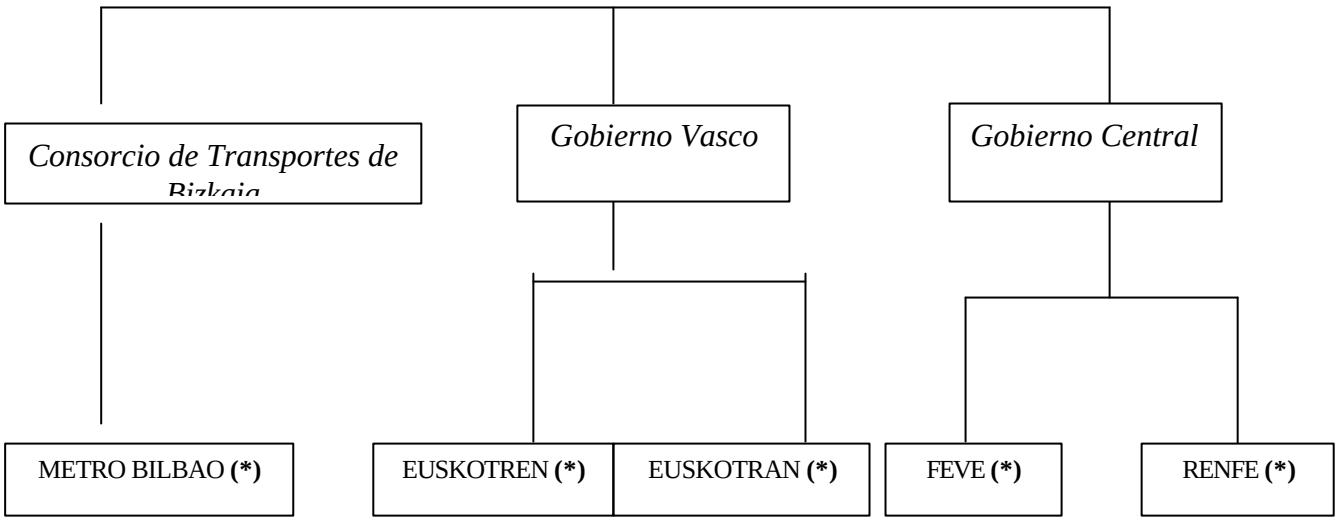
2.- BISCAY PUBLIC TRANSPORT NETWORK

BUS NETWORK



RAILWAY AND TRAM NETWORK



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(*) Transport Operators

(1) From 2002

Each one of the Institutions cited above has its own way of management, its say in Fare Policy, which is translated in its own zoning system, its own range of tickets and its owns way of covering the deficit

Basque Government – Euskotren and Euskotran

The Autonomous Community, through its Department of Transportation and Public Works, has a public corporation EUSKOTREN which runs the Basque railways as well as bus lines although EUSKOTREN's bus part will be taken over by the Biscay Provincial Government as of 2002. The deficit is borne by increasing the capital stock.

In 2002 the tramway line will be opened and it will be managed through the public corporation EUSKOTRAN

Biscay Provincial Govermment – Bizkaibus

The Provincial Government manages the bus services along the highways in Biscay under

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the brand BIZKAIBUS in which 4, (soon 5), transport operators are included.

It operates by means of individual programme contracts for which the companies are remunerated for the services rendered based on that stipulated in contracts. Any resulting deficit is covered by the Institution.

Bilbao City Council – Bilbobus

The Bilbao City Council has control over urban transport in Bilbao: buses, lifts, and cable cars in Bilbao The bus service is managed throught the Bilbobus network. The bus transport operator is linked to the City Council by means of a programme contract which works in the same way as in the case of Biscay Provincial Government that has been previously explained.

Biscay Transport Consortium – Metro Bilbao, S.A.

The CTB manages the operation of the Bilbao Metropolitan railway through Metro Bilbao, S.A., a 100% public transport belonging to the CTB.

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Alda. Recalde, 18 – 5º - 48009 B I L B A O

Its deficit is financed by the Biscay Transport Consortium by increasing the capital stock.

Spanish Central Government – Renfe and Feve

The Ministry of Economic Development answers for the RENFE and FEVE railway companies that run the suburban and local trains in the Left Bank and in the region of Encartaciones in western Biscay. They are managed by means of programme contract.

In this descentralized model the **overall deficit** in the transport system is significant but as each government administration supports its own transport system exclusively, there is no awareness of the problem at large.

The offer is **fragmented and spread out**, resulting in a transport system that is beset with overlapping and gaps. It is a system in which each means of transport addresses itself to its users but as a result, there is no overall information on the transport system as a whole.

As a counterpoint, each Institution attempts to cut down on its deficit by making its means of transport more attractive, the result is an ample and good offer of public transport since the system does stimulate competition.

The citizen at large has a good opinion of public transport.

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All this has brought about an **exponential increase in the use of public transport** over the last few years, going from 145 million passengers in 1997 to 161 million passengers in the year 2000.

Moreover, there is also a changing trend to be noted as seen in the latest financial year since the rate of growth in the use of a public transport has increased more than the private vehicle one (4,5 versus 4,1%)

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Alda. Recalde, 18 – 5º - 48009 B I L B A O

3 THE ROLE OF THE CTB AS A PUBLIC TRANSPORT AUTHORITY

The incorporation of the Bilbao Metro **brought about a convulsion in the transport system** which has, furthermore, gone through a profound transformation over the last few years as a result of the expansion of Bizkaibus throughout the province of Biscay, the extension of Euskotren's line, the refitting of Bilbobus, the southern relief line of Renfe and the upcoming opening of Line 2 of the Bilbao Metro and the tramway.

All of these factors place us in a **key moment of restructuring the transport system in Biscay** as far as its infrastructure and network are concerned. This calls for institutional agreements, **coordination in services, simplification of fares and tickets, coherent and overall information available** to the citizen: **all in all, a quality offer aimed at the real and potential demand that has been perceived.**

As no one totally dominates the market, no one emerges as the coordinator and planner but the need for coordination and transport planning is self-evident and thus is born the vocation of the Biscay Transport Consortium to undertake its role as Transport Authority.

Faced with this situation and after complex negotiations led by the Biscay Transport Consortium, the Basque Institutions signed in June, 1997: two Framework Agreements about **Fare**

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Coordination and Restructuring of the Public Transport of Passengers, The signatories to these documents were the Basque Government, the Biscay Provincial Government, the Bilbao City Council and the Biscay Transport Consortium.

In working out these agreements, the **Transport Coordination and Control Commission** was set up within the Biscay Transport Consortium with the mission of working on harmonizing every aspect of transportation. The Biscay Provincial Government, the Basque Government, Metro Bilbao, Renfe, Feve, and Euskotren are involved in this.

As a starting point aimed at tackling **the restructuring of the offer and fare coordination** on the part of government administrations, it was necessary to get to know the mobility behaviour and habits of Biscay's citizens with the objective of suiting the transport offer to the demands of the supply and of optimizing the use of available resources by identifying the mobility market in each zone and geographic area, its quantity, causes that motivate it, the means of transport used as well as a profile of the user.

In order **to come by** this information and other reliable data, the Biscay Transport Consortium conducted **the first mobility study** done in Biscay in 1998 (its update is due to be ready in 2002).

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This study is complemented by the **Report on Public Transport in Biscay** which the Biscay Transport Consortium draws up annually and in which the situation, information, variations and public transport trends are analyzed every fiscal year.

The conviction of the Biscay Transport Consortium that there are benefits **in planning for transport** is coming to fruition, among other things, in various projects destined to create new interchanges and infrastructures with the goal of promoting use of public transport by redoubling the efforts of different institutions. In this sense, in building the Bilbao Metropolitan Railway, the situation has allowed for various projects to be tackled so as to reorder and coordinate transport such as:

- Building of an interchange for public transport users at the Leioa station on Line 1 of the Bilbao Metropolitan Railways in which the metro, buses, park and ride and the future tramway line are to be found.

- Building of an interchange at San Mames Metro Station in which the intermodalities of Metro an Renfe are grouped together and these, in turn, with the Termibus Bus Station. In the future, this will also happen with the tramway taxis.

- On Line 2, other multimodal transport infrastructures such as the ones in Etxebarri,

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Urbinaga-Sestao stations are being designed and built.

Paradoxically, the most difficult and costly part, the interchange infrastructures which are taking advantage of the Bilbao Metropolitan Railway construction work, is being done although the simplest part, which should be an inter-institutional agreement which would advance work in other aspects, is progressing at a stately pace. Each step is the end result of an agreement with the Institutions involved in it.

Some important milestones have been achieved such as the launching of **the uniform "Creditrans" ticket** by the Biscay Transport Consortium .

On September 23, 2000, the Creditrans was introduced, valid for the networks of the Bilbao Metro, Bizkaibus, Bilbobus, the Artxanda Cablecar and the La Salve lifts. Creditrans overcomes the difficulties caused by a different zoning system and the existing different fares among the various means of transport. **It is the first effective step towards coordinating Public Transport**.

This ticket is conceived as a money ticket to travel with. Each means of transport discounts its fares for it, according to the trip made. The fare charged is that established for each means of transport regarding the "pass" kind of ticket.

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The Creditrans facilitates making transfers at a reduced price with the second operator providing a 20% discount of the total price of the combined trip.

Aware of the importance of unifying various kinds of tickets, the Consortium is working on the extension of a range of joint tickets: senior citizen tickets, monthly tickets, etc.

The Transport Coordination and Control Commission also works on the design of a Common Zoning Policy for all of the passengers using Public Transport in Biscay, putting an end to the current scattering of services.

In July 2000, alternatives to the Fare zoning system were presented by the Biscay Transport Consortium. In November, 2000 the basic guidelines of the zoning system were approved.

This transport zoning in Biscay divides the territory into five areas, one of which –the central area – corresponds to the municipality of Bilbao. The agreement won the backing of the Basque Government, the Biscay Provincial Government and City Council of Bilbao, with the consensus of the operators. The new zone structure will be adopted in the RENFE, FEVE, Bizkaibus, Bilbobus, EuskoTren and Metro Bilbao transportation networks. Its implementation will be gradual with some of the different operators as they proceed to revise their fares.

The criteria that back up the proposal for a common zoning system are:

- To establish the least possible number of zones.

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- To maintain the municipal boundaries.
- To consider the municipality of Bilbao as a central zone.
- To respect as far as possible the existing zones among the different operators.

In the mid term, a ticket system using a **contactless-smartcard** is slated to be implanted. With the understanding that the Biscay Transport Consortium is the ideal platform to launch a project with such characteristics since it can not be based on the criteria of a single operator and must take into account the criteria and standards throughout the transport system in Biscay so that it will bring about **seamless integration of fares** in the future while acting as a catalyst to that end.

In conclusion, the Biscay Transport Consortium is building on the Public Transport Authority in Biscay and is championing a model that is the result of a consensus arising from the peculiarities of our institutional framework.

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THE DEVELOPMENT OF THE VALENCIA METRO NETWORK AND THE ORGANISATION OF METROPOLITAN TRANSPORT

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THE DEVELOPMENT OF THE VALENCIA METRO NETWORK AND THE ORGANISATION OF METROPOLITAN TRANSPORT

1.- THE VALENCIA METRO NETWORK

Since 1990, the Autonomous Government of Valencia has been promoting a deep reform in its Metropolitan Tran Network (F.G.V.) in the Valencia area, which is generically known has the Valencia Metro, although in its whole it contains different elements from the point of view of running thus making a unit network of tram line live alongside, exclusively underground stretches and surface stretches with typical railway running. The Valencia Metro is the 2nd rail operator (the other is RENFE) implanted in the Community and its territorial scope covers approximately a 30 km circle around the city of Valencia which contains a population of one and a half million inhabitants, which represents 37.5% of the total population of the Community of Valencia of which 50% lives in the central nucleus.

In the initial situation corresponding to 1990 it was made up of two pre-existing lines which were not connected to each other, of which the first was on the Northwest-South axis, crossing the city of Valencia at a tangent:

LINE 1, with 96.5 km of which only 7.1 are underground in the city of Valencia, attended to the North-South connection of the metropolitan area with two stretches towards the north and west of 15 and 25 km separated by the common station of Empalme and a southern stretch of 50 km.

LINE 3, 13.3 km in length, all on the surface started in the so-called Puente de Madera Station, in a location which the urban development of the city had left outside the main commercial, teaching, administrative or leisure circuits.

Following an important campaign of surveys and a study and analysis of the demand for mechanised transport means in the metropolitan area, its distribution into public and private modes and within the demand met by public transport, that covered by the different agents operating in the area, the best alternative is considered for the year 2000 is reached and which consists of the following:

Underground penetration of line 3 towards the centre of the city to link up with line 1 using the final stretch of the existing tunnel in order to continue on the surface to the Torrente Station (to the South) and extending the new tunnel through the urban corridor with the greatest demand in a western direction to the limit of the central nucleus.

Implantation of a new tramline, T4, with a somewhat peripheral route and with the potential of linking the different university campuses and the seaside district by connecting through direct transfer with lines 1 and 3.

The Valencian Autonomous Government Metropolitan Railway Network diagram in this scene then has a total length of 130 km, 49 on double track, 81 on single track at the ends of the line, with a central nucleus of 17 km in tunnel and organised into three interconnected lines.

This year 2000 scene has reached its culmination; line T4 came into service in April 1994, the first stretch of line 3 in May 1995, the second and most central stretch in September 1998 and the last stretch of the line, to Mislata, in May 1999.

Finally the planning process reopened at the end of 1997 and has recently culminated in specifying the second extension of the network relating to the 2011 scene by using the same transport model as in the earlier stage. This second extension, which is projected for completion for operative effects for the year 2011, is programmed to be carried out over the 2000/2005 period and consists of two new lines.

Line T2, a tram with an exclusively urban route with a central underground stretch in order to cross the old district of the city of Valencia, connected to lines 3 and T4, and line 5, also urban and technically different as a mixed operating system Tram/metro has been opted for.

The summary of the most significant figures which identify the Valencia Metro once the planning process started in 1990 has reached its culmination is the following:

From the base year 1991, with 110 km of network with a demand of 18,600,000 journeys/year, we move on to the 2000 scene with a network of 130 km and a demand of 34,300,000 journeys/year. In the final scene, with an investment of 57,000 million pesetas, a duplication of the demand is estimated, with 78,900,000 journeys/year and the system will have 146 km of network with 22 km of tunnel.

2.- FIRST STEPS IN THE ORGANISATION OF METROPOLITAN TRANSPORT IN THE VALENCIA AREA

Parallel to the planning and extension process of the metro network, on the 14th February 1991, the Autonomous Government of Valencia passed law 1/91 on the Organisation of Metropolitan Transport which has the aim of the operating and price coordination of all the modes of public transport in the Valencia area.

This law establishes drawing up a Metropolitan Transport Plan, through which the coordination of the different services of public transport and the implantation of an integrated price system must be achieved; the law's area of application is the city of Valencia and 56 municipalities in its metropolitan area. The transport services affected by the law (services of a metropolitan interest) are all those inside the area: regular urban bus transport of Valencia (EMT), FGV services inside the area; RENFE services inside the area and regular inter-urban bus services (private concessions and CVT, at that time, a public road transport company).

Under this law, and after intense negotiations at the Plan Commission, on the 1st April 1996 an agreement was signed between the Autonomous Government of Valencia and the City Council of Valencia to establish a price coordination system between EMT and Metro Valencia.

This agreement meant putting three combined tickets into circulation: the "ABONO Transporte", valid for thirty days from its first use without limit to the number of journeys, the "B-10" valid for ten journeys which include transfer, and the "T-1" valid for travelling during one day, all equally valid for the EMT or Metro, and in the first area of Zone A, which includes the city of Valencia and three conurbated municipalities.

In June 1999, the Transport Plan Commission passed the "Strategy for Metropolitan Transport in the area of Valencia", which fixes the necessary criteria and instruments to meet the needs of metropolitan mobility, by promoting the use of public transport.

In order to improve the image of a common network, the Autonomous Government of Valencia has created a new brand image - **METROBUS** – for all the interurban road services. By signing Programme-Contracts between the Autonomous Government of Valencia and all the companies that render public transport bus services in the metropolitan area, they promise to adapt all their vehicles to the common image signs defined by the Autonomous Government for **Metrobús.**

Finally, at the end of January 2000, the use of the "ABONO Transporte" was generalised for the whole metropolitan area, also apart from zone A, establishing another two concentric price zones; as well as EMT and Metro Valencia (which, as we have already mentioned, includes a network of four branches through the municipalities in the Valencia area) all the METROBUS lines are integrated into the new price coordination system.

3.- CREATION OF THE METROPOLITAN TRANSPORT BODY OF VALENCIA

With these measures, the coordination and integration of metropolitan transport reaches an import degree of complexity which began to present some problems as regards the capacity of the managerial organs, which as has been stated, are of an administrative nature, through the Plan Commission. For better operation it seemed suitable to create an autonomous public body which would include, among its specific functions, those which were being carried out by the aforementioned Plan Commission.

The Metropolitan Transport Body of Valencia, was set up as a public law body subject to private law, by LAW 9/2000, of the 23rd November 2000. It takes on all the responsibilities corresponding to the Metropolitan Transport Plan Commission in the Area of Valencia and those which were being carried out by the Direction General of Transports for general and special use regular passenger transport in that area and over the area of joint taxi services in Valencia.

In accordance with the text of the aforementioned law, the following responsibilities correspond to the body:

1. In regular passenger services material

- ✍ Administrative management of the services
- ✍ Drawing up and developing the provision of the Metropolitan Transport Plan of Valencia
- ✍ Issuing, distribution and, if this were the case, sale of coordinated transport tickets.
- ✍ Proposing to the responsible organ of the Valencian Government the price framework of the coordinated tickets.
- ✍ Proposal and carrying out of inspection plans as well as handling and proposal of solution for sanction files.
- ✍ Adoption of measures tending to establish a system of aid for the running of the operating companies.

2. With regard to taxi services

- ✍ The Autonomous Government's responsibilities in administrative management, in particular, the granting, transfer, approval and modification of authorisations.
- ✍ The adoption of measures directed towards the improvement of the taxi service.
- ✍ The development of specific programmes destined to increase the use of the taxi.

3. General responsibilities corresponding to it:

- ✍To report on the metropolitan transport services and promote their use.
- ✍To constitute or participate in public or mixed capital companies or consortiums.
- ✍To draw up statistics, reports and studies on metropolitan transport.
- ✍To cooperate by means of agreements and Programme-Contracts with any bodies whose activity affects the metropolitan transport.
- ✍To build the metropolitan transport infrastructures it is commissioned to do by the Councillor for Public Works, Town Planning and Transport or those which, by virtue of agreement, are agreed on with other public administrations.

The Metropolitan Transport Body of Valencia (**eTM**) was constituted in May 2001, with an initial budget of 180 million pesetas for running, and in 2002 it will fully take on its responsibilities, managing the metropolitan transport programmes which until then had been carried out by the Direction General of Transports of the Valencian Autonomous Government.

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Prague integrated transport.

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Prague integrated transport

Prague Integrated Transport (PIT) is a transport system which includes Metro, trams, railway, urban and suburban bus routes. This system has been gradually integrated by joint transport and tariff conditions and a unified traffic solution, including coordination of timetables.

Prague Integrated Transport is developed as a municipal transport association. It has been gradually developed within the area of the City of Prague, and adjacent area of other districts of the Central Bohemia with decisive transport links to the City of Prague. Prague Integrated Transport has been developed with the aim to provide quality transport serviceability of the area, conditioning the competitive ability of public transport against individual transport. The decisive criteria of the integrated system's attractiveness are time, price, comfort, reliability and safety. The fundamental principles of Prague Integrated Transport are the following :

- unified regional transport system based on the priority of backbone rail transport (railways, Metro, trams), bus transport is organized predominantly as the follow-up transport to terminals, established by rail transport stations and stops
- the system enables a combined way of transport by private car and by means of public transport, realized through P + R /Park & Ride/ parking facilities, established by terminals of backbone rail transport in the suburban area of Prague and its neighbourhood
- unified transfer tariff system, enabling to make a trip with one ticket with the necessary changes, and that without regard to the chosen means of transport and operator

ROPID, Regional Organizer of Prague Integrated Transport, started its operation on December 1, 1993. ROPID was established by the Resolution of the 33rd meeting of the Representatives of the Prague City Council as a contributory organization of the City of Prague. Its establishment had been a culmination of the city's intention to respond to the ongoing social and economic changes and to develop an up-to-date integrated system of public transport in the Prague capital and its neighbourhood. The aim of this system is to offer to attractive and respectable public transport for all groups of inhabitants and visitors to the city, thus creating an alternative to the increasing intensity of car traffic.

ROPID, a professional organization, responsible for the function of Prague Integrated Transport, was authorized to establish and develop the PIT system. It has an organizational and controlling role. For its activities it is responsible to municipal and state authorities, by whom it was authorized to ensure transport.

The basic tasks of ROPID are as follows:

- preparation of further development of regional integrated system and its implementation
- elaboration of principles of public transport organization, establishment of the volume of transport performance necessary to ensure transport serviceability of the area for individual operators and modes of transport and discussing these with municipalities, district authorities and operators
- proposal of funding the PIT operation by effective use of financial funds available
- proposal of tariff and fares in the system of Prague Integrated Transport
- design of regional project of public transport organization

- conclusion of contracts for the provision of PIT operation with relevant municipalities, district authorities and operators on behalf of the City of Prague and control of their performance
- organization of the financial flow of revenues and subsidies within the system of Prague Integrated Transport
- selection of operators of newly established routes
- provision of a unified PIT information system

The development of the PIT system by ROPID was linked to the previous development characterized by the following aspects :

- decreasing ratio of public transport performance by increasing private car transport
- transformation of Prague Public Transit Co. into a joint-stock company owned by the city
- signing of the „Principles of Cooperation betwen the City of Prague and CSD (Czech National Railways)“ which, among others, intended to use effectively passenger transport of Czech Railways in the system of urban public transport, and subsequent conclusion of Cooperation Agreement between the City of Prague and CSD, enabling to start the integration of the railway
- dissatisfaction of municipalities next to Prague boundaries with the level of public transport and commitment to solve the issues by integrating into the system of Prague public transport
- introduction of new bus routes of Prague Public Transit Co. to municipalities behind the city boundaries
- establishment of private bus transport operators, aiming at making their presence felt on the transport market in Prague and its neighbourhood.

Contractual system of PIT (Prague Integrated Transport)

The system has been developed as an open association of public passenger transport clients with **ROPID procuring provision of transport services as requested** by subsidy payers based on contracts with transport operators**.**

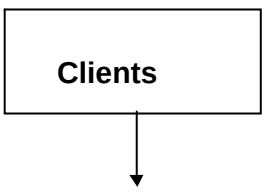
Orders are formulated by ROPID based on the needs of ordering parties– subsidy payers - who are clients of ROPID.

To make this system work under conditions of the Prague region, each transport measure has to be discussed with partners – subsidy payers. Each year ROPID prepares basic PIT development policy, including the scope of transport services to be discussed by the Board of Representatives of the Prague City Council in relation to budget preparation. Particular solutions are then discussed with districts (57) and in case of suburban areas plans and solutions are discussed with municipalities (226) and district authorities (10).
This eliminates a pressure to maximize the volume of transport supply while taking into account client needs – naturally, based on financial resources available. We think this system has proved very successful as it enables a flexible response to the actual transport demand.

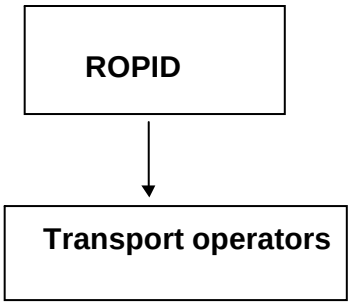
Solutions which have been discussed and prepared are then included in the „Project of Public Passenger Transport Organization“ and its quarterly specifications. The „Project“ is thus a fundamental planning document of PIT and particular transport services are contracted based on this document. Prague Public Transit Co. Inc. receives a general order (route, stops, intervals) and timetables are drawn up by the transport operator.
Timetables for minor bus transport operators are drawn up by ROPID.
Solutions of traffic closures are in the competence of Prague Public Transit Co. Inc., major actions are consulted. ROPID elaborates measures applied during traffic closures for minor bus transport operators.
In rail transport timetable requirements are discussed with the Czech Railways, private rail transport operators do not operate within PIT system.

Discussion results are then reflected by ROPID in contracts on provision of PIT operation, performance of which is also assessed and controlled by ROPID.

Supply of transport services provided by transport operators is ordered through contracts prepared by ROPID



-PRAGUE
- Municipalities
-District Authorities



Contracts deal with the provision of transport services as well as the actual system operation.

1. Contracts for provision of transport services:

These are contracts of a „gross costs“ type in which a transport operator has a guaranteed fixed income from subsidy payers. The risk whether the planned revenues will be met or not is born by subsidy payers.

Contracts for provision of transport services are concluded between clients (municipalities, District Authorities, ROPID on behalf of Prague) and transport operators. In such contracts transport operators undertake to provide required transport services and clients undertake to provide subsidies to revenues (substantial part of transport services is loss-making).

Order for provision of transport services is divided into an order for „provision of basic transport services“ (i.e. the most important links to/from work, authorities and schools) where the loss is covered by the state and an order for „provision of other transport services“, i.e. all remaining transport links where the loss is covered by municipalities.

The contract defines **obligations of subsidy payers** in terms of reimbursement of operating loss incurred in provision of transport services. The contract defines also **obligations of transport operator** (vehicle type and equipment, vehicle labelling, installation of passenger processing system, drivers´ behaviour, compliance with a single tariff and uniform Contractual Transport Conditions, adherence to set timetables, placement of timetables at stops and maintenance of stop posts, single PT control, advertising, etc.). **Obligations of ROPID** are defined particularly with respect to processing and printing of timetables for transport operators including route itineraries, chronometric cards, etc. ROPID receives a remuneration for the provision of these services based on a contract, such payment being converted into a unit of 1 vehicle km. Obligations include meeting all deadlines for timetable changes, timely discussion of changes, etc. The relevant District Authority grants a subsidy to the transport operator for operation of the bus route outside the area of the capital and ROPID grants a subsidy for segments within the area of the capital.

2. Contract for provision of passenger transport by rail with the Czech Railways.

Parties to the contract - the capital of Prague, represented by ROPID, and the Czech Railways. **Subject of the contract** is the provision of basic passenger transport services by rail within the area of the capital. The contract specifies particular rail track segments on which the obligation is performed and the total volume of train km. The subsidy covers the difference between operating costs of passenger trains and revenues calculated based on the railway tariff. The city, in this case in the role of a district, is compensated from the state budget. Operating loss of passenger trains in all 77 districts of the Czech Republic is covered in a similar way. Payments are settled on a monthly basis.

3. Contract for provision of Prague integrated public passenger transport with the Czech Railways

Parties to the contract - the capital of Prague, represented by ROPID, and the Czech Railways. **Subject of the contract** is Czech Railways´ involvement in PIT system through recognizing the validity of PIT tariff on tracks of the Czech Railways and compensation of the difference between PIT tariff and railway tariff. The contract defines **obligations of CR**, particularly with regard to recognizing PIT travel passes within tracks included in PIT system. **Obligations of ROPID** include provision of printing and distribution of tickets. Both parties are obliged to carry out required traffic surveys on trains of the Czech Railways to assess the amount of compensation to be paid to the Czech Railways. The subsidy is paid on a monthly basis based on a proportionate share for the month in question. Part of the monthly subsidy is fixed and part of it depends on the number of tickets sold.

In accordance with EU legislation contracts are based on a public service obligation principle.

4. Tariff Agreement

Tariff Agreement is a document dealing with tariff issues, distribution of fare-box revenues and financial relationships between transport operators with respect to ticket inspection. The Agreement is negotiated between ROPID and all Prague Integrated Transport (PIT) operators.

Transport operators have agreed a uniform tariff of Prague Integrated Transport declared by municipalities included in PIT system. The Czech Railways apply PIT tariff concurrently with Czech Railways´ tariff (TR 10) on selected track segments and selected trains.

Based on this Agreement tickets of Prague Public Transit Co. Inc. are recognized as PIT tickets. Any transport operator provides transport services within his set scope of transport services to passengers having such tickets. At the same time transport operators authorize Prague Public Transit Co. Inc. to print and distribute tickets used within PIT system. This authorization aims at minimizing the costs of ticket printing and distribution.

The most important and most complex part of the Tariff Agreement is the distribution of revenues from fare between individual operators, including the Czech Railways, within the framework of PIT system. An appropriate proportion of revenues from fare for the area of the capital is assessed based on the volume of transport services (calculated in thousands place km) supplied by individual transport operators within PIT system. Assessment for the surrounding area is based on profitability of suburban routes. The key for distribution of revenues is calculated by ROPID. Based on an authorization of ROPID and other transport operators revenues are collected by Prague Public Transit Co. Inc. which pays the relevant

VAT. All transport operators, VAT payers, issue invoices to Prague Public Transit Co. Inc. for their portion of transport services (revenues from transport services) within PIT for the relevant month. Based on these invoices deducts VAT from revenues paid by Prague Public Transit Co. Inc. for the volume of revenues attributable to other transport operators. This fairly complicated procedure has to be performed as Act on VAT does not allow to apply joint taxation of more entities.

The last important issue solved by the Tariff Agreement is funding of joint PIT ticket inspection performed by ticket inspectors of Prague Public Transit Co. Inc. and assessment of a proportional share of individual transport operators in total costs incurred by Prague Public Transit Co. Inc. in connection with ticket inspection performance. The Agreement also specifies a proportional share of individual transport operators in collected fines which is based on the volume of transport services provided.

In addition to above mentioned issues the Tariff Agreement also deals with other details, such as permanent tickets of transport operators and conditions for provision of such tickets, ticket types including specification of protective elements and others.

5. Service Contract

Parties to the contract - the capital of Prague, represented by ROPID,Prague Public Transit Co. as a service provider and other transport operators using these services. **Subject of the contract** is the provision of a single control of vehicles within PIT system, maintenance of stops under administration of Prague Public Transit Co. Inc. used also by other transport operators, placement of timetables of other transport operators on notice boards of Prague Public Transit Co. Inc. and maintenance of joint turning facilities and terminals. The contract specifies **obligations of ROPID**, particularly with regard to provision of timetables of other transport operators to the stop service of Prague Public Transit Co. Inc. **Obligations of Prague Public Transit Co. Inc.** as the service provider are defined particularly in terms of recording dispatched vehicles, performance of uniform traffic control and timely placement of stop timetables received from other transport operators. **The price** is assessed per a unit of vehicle km covered by other transport operators within the area of the capital or outside the capital if the lines are routed also along suburban routes of Prague Public Transit Co. Inc. The price is assessed separately for control and separately for services in connection with placement of timetables and maintenance of stops and maintenance of turning facilities and terminals. **Transport operators are obliged** to reimburse service provider, i.e. Prague Public Transit Co. Inc., on a regular basis for the services provided. Supply of transport services provided by transport operators is verified by ROPID for invoicing purposes.

6. **Contract of Mandate for provision of uniform ticket inspection on public transport routes operated within PIT system** - Contract of Mandate

Parties to the contract -. Prague Public Transit Co. Inc. and the relevant transport operator. **Subject of the contract** is the authorization of Prague Public Transit Co. Inc. to perform uniform ticket inspection on vehicles of the relevant transport operator, collect fines and settle possible litigations with fare-dodgers. The contract has been concluded for an indefinite **period of time** (for the period during which the relevant transport operator holds the licence for operation of a particular route within PIT system). ROPID receives one copy of the contract for information.

Advantages and disadvantages of the current structure of PIT (Prague Integrated Transport)

Advantages

1. The main advantage is a guarantee that the system is organized from the point of view of funding entities - i.e. municipalities, public authorities and passengers.

ROPID in its position of an organizer is a municipal organization and therefore approaches the planning of the transport network as well as fare solutions from the point of view of a user - its objective is not to make profit.

2. Another advantage (resulting from a transfer of revenue risk from the transport operator to the client) is an opportunity to take prompt and relatively large-scale solutions with respect to transport service offer both in terms of the scope of the network and in terms of the number of links offered on particular routes. Such solutions are necessitated by existing conditions of fast changes in transport demand.
   Such changes are a result of a dynamic development of regions adjacent to Prague boundaries. On the one hand entire traditional industrial districts with thousands job opportunities have been declining and on the other hand new production, commercial, leisure-time activities have been emerging with a concurrent development of new residential areas.

3. Another advantage was also represented by relatively low cost and a chance to implement the system quickly as a result of the fact that Prague Public Transit Co. Inc. has been authorized to perform a number of activities for the integrated transport system through a tariff agreement (printing and distribution of majority of tickets, distribution of revenues between transport operators, etc.).

Disadvantages

1. Naturally, the main disadvantage is a typical aspect of contracts of the „gross cost" type, i.e. a low interest of transport operators in the amount of revenues. We seek to face this problem through a system of checks and sanctions. It is also necessary to maintain certain financial reserves to cover revenue fluctuations.
   Transport operators, however, are aware of the fact that a low amount of revenues collected could be reflected in a decreased number of services ordered and are therefore basically interested in the functioning of the system.

2. A dominant position of Prague Public Transit Co. Inc. and its authorization to perform a number of activities for PIT system has, apart from its advantages, also some disadvantages – there are occasional negative impacts of a quite high dependence of the system on the majority operator with tendencies typical for a monopoly behaviour, and that particularly at the level of middle management (e.g. requirements for long periods to prepare desired transport measures, sometimes unreasonable requirements for quality of operating and working conditions –influenced also by a strong trade-union organization, etc.)

3. Another disadvantage is represented also by quite demanding administrative requirements for conclusion of contracts for operation of suburban lines (sometimes even dozens of contractual partners on long routes – all municipalities and districts through which the particular line passes through, division of contracts into provision of basic transport services and other transport services).
   This situation is a result of legislation and territorial arrangement of the country.

4. Short duration of the contracts is disadvantage, too (only 1 year).

Some points concerning the future development of the system

Generally, we will make effort to suppress the above mentioned disadvantages and maintain the advantages.

Even for the future the main advantage will be to maintain the authority to plan the transport network and a single fare system. We would prefer to solve occasional difficulties connected with the dominant position of Prague Public Transit Co. Inc. through a systemic strengthening of our powers in the field of procurement and distribution of tickets rather than through an effort to reduce its share on the transport market. Should there occur some reductions of the share of Prague Public Transit Co. Inc. these would apply to operation of suburban lines or lines operating on city outskirts.

Disadvantages of contracts of the „gross cost“ type should be solved in connection with a gradual stabilization of urban and demographic development of suburban regions by a shift to such type of contracts which would transfer at least a part of the risk concerning the amount of revenues to the transport operator.

As far as to high administrative requirements of the system we are dependent on the development in the field of legislation but we would like to exercise at least an active influence on such developments.

Naturally, our intention is to continue to improve the quality of transport and fare integration of individual modes of transport between each other (i.e. metro, trams, city buses, suburban buses, railway).

With respect to transport integration we would like to support development of interchange points in suburban regions, support development of P+R facilities next to railway stations.

With respect to fare we will make effort to better harmonize transport conditions with continuing certain difficulties with respect to rail transport (partially different system of discounts, transportation of luggage, etc.).

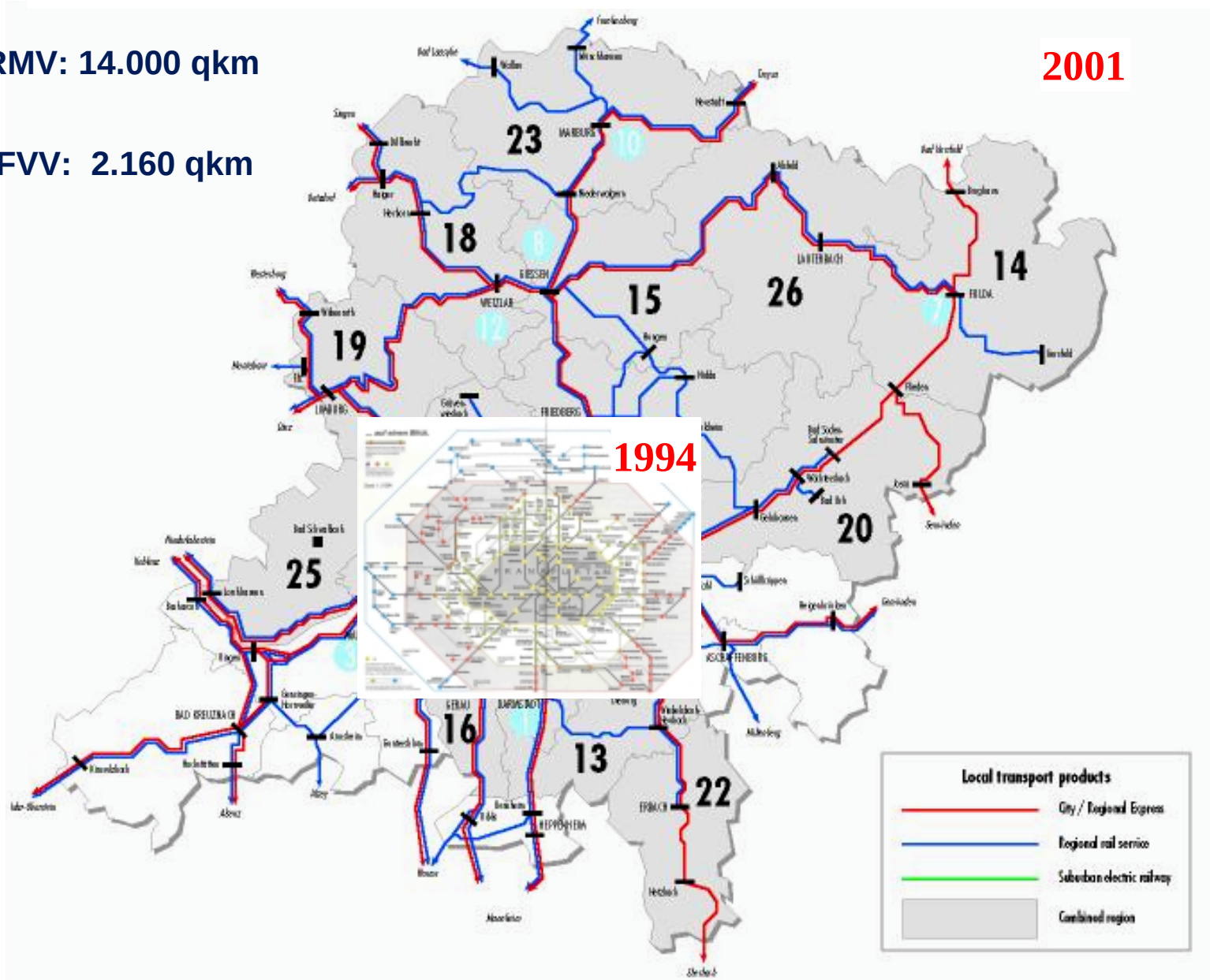
As to duration of contracts, we hope that new EU legislation will help us to raise the length of contracts to 5 years.

Rhein-Main-Verkehrsverbund

Comparison of RMV (2001) and FVV (1994)

RMV: 14.000 qkm

FVV: 2.160 qkm

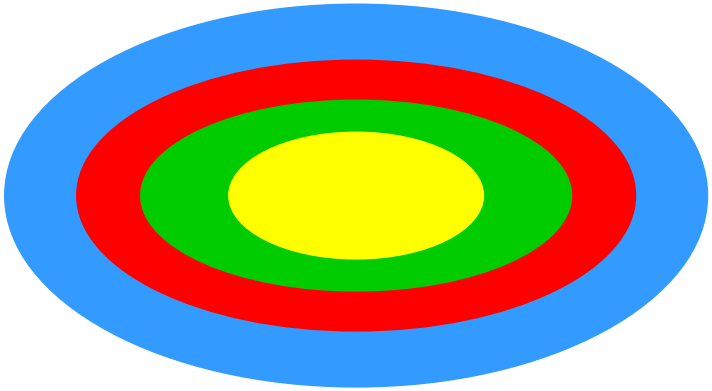


Rhein-Main-Verkehrsverbund

Tariff System

- until 1995 -

ring system

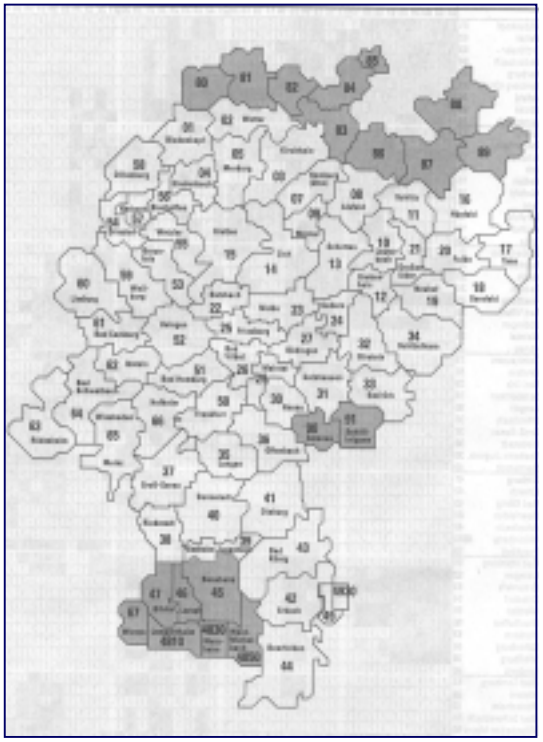


independency of distance

↳ **lack of fairness**

- since 1995 -

area zone system



- **integration**
- **fairness**
- **efficiency**
- **transparency**

Rhein-Main-Verkehrsverbund

Structure of Shareholders

Association of Companies
(3 partners)

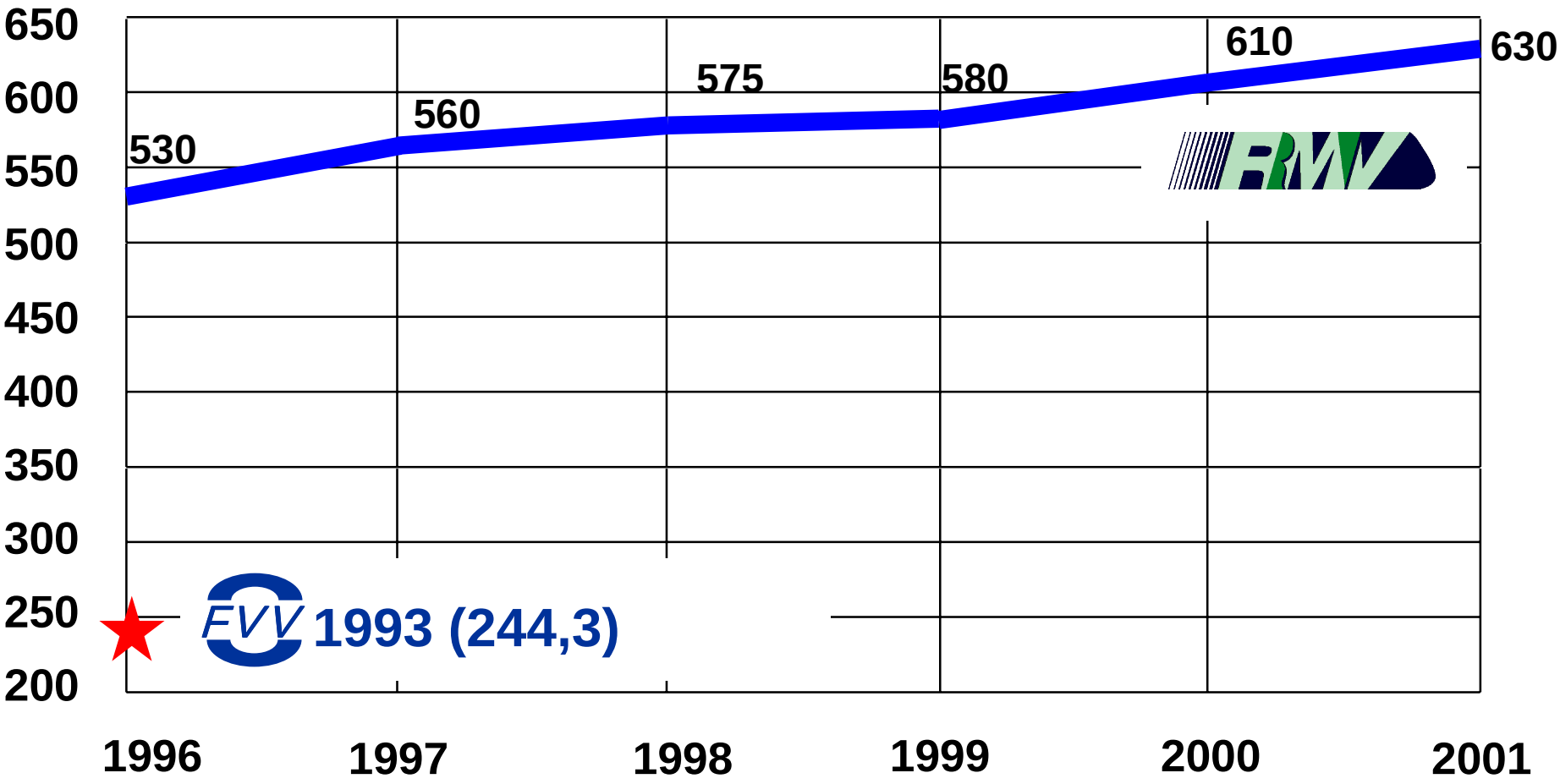
- **Stadtwerke Frankfurt (municipal services)**
- **Deutsche Bundesbahn (German Federal Railway)**
- **Frankfurt-Königsteiner Eisenbahn**

Regional Public Transport Authority
(27 partners)

- **<u>independent cities</u>**
  Darmstadt, Frankfurt, Offenbach, Wiesbaden
- **<u>cities with special status</u>**
  Bad Homburg, Fulda, Giessen, Hanau, Marburg, Rüsselsheim, Wetzlar
- **<u>districts</u>**
  Darmstadt-Dieburg, Fulda, Giessen, Gross-Gerau, Hachtaunus, Lahn-Dill, Limburg-Weilburg, Main-Kinzig, Main-Taunus, Odenwald, Marburg-Biedenkopf, Offenbach, Rheingau-Taunus, Vogelsberg, Wetterau
- **The State of Hesse**

Rhein-Main-Verkehrsverbund

annual number of passengers (in million)

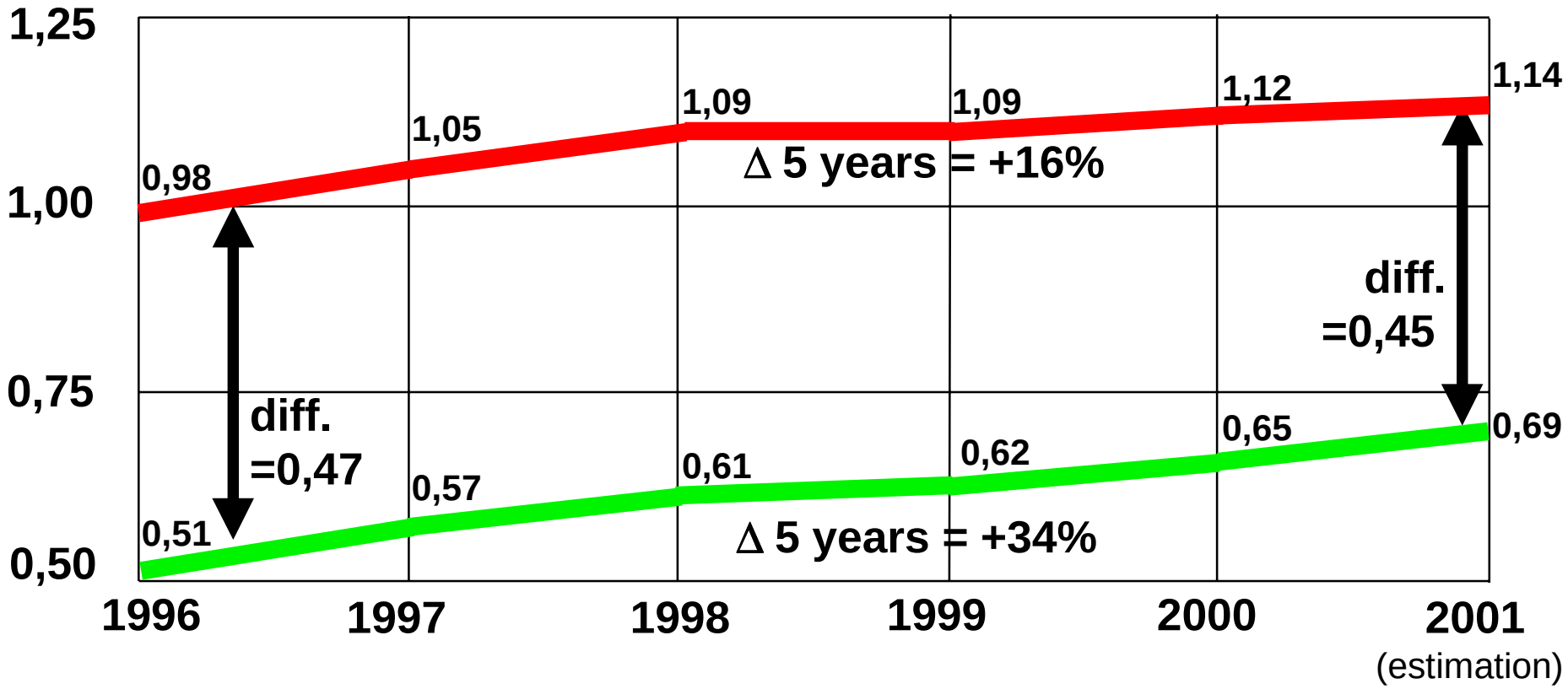


covering costs rate

42% (1994)

61% (2001)
(estimation)

RMV-revenue and -expenses in billion Euro



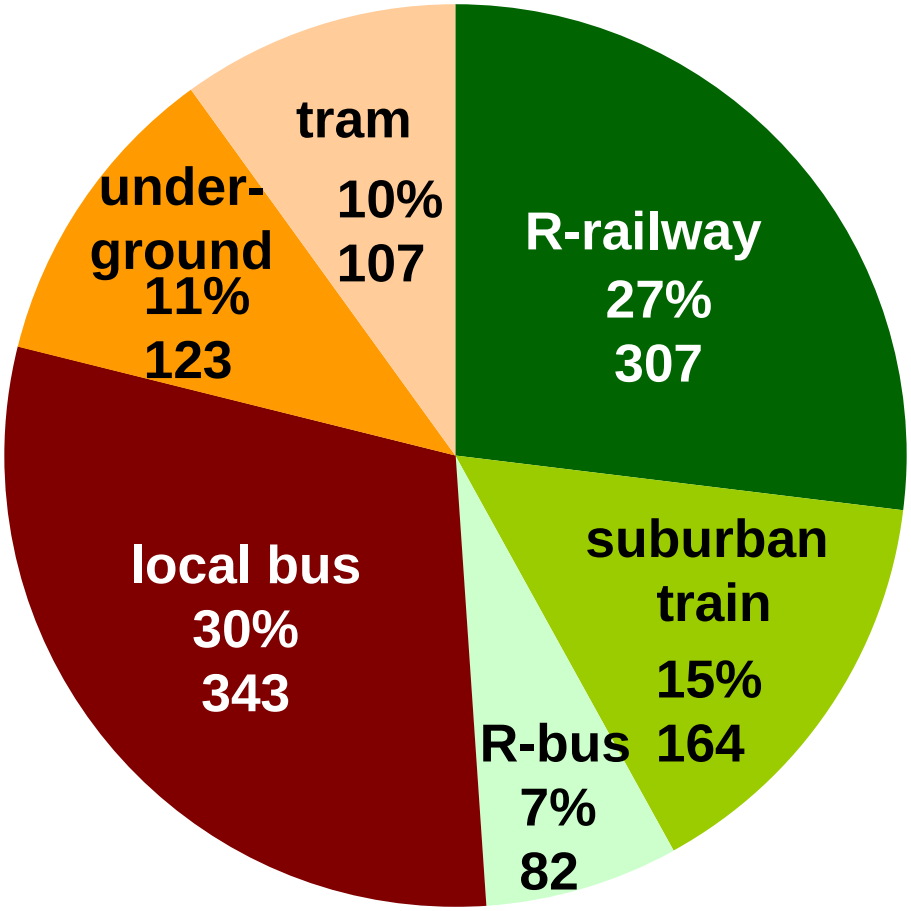
➔ **covering costs rate in 2001: 61%**

Rhein-Main-Verkehrsverbund

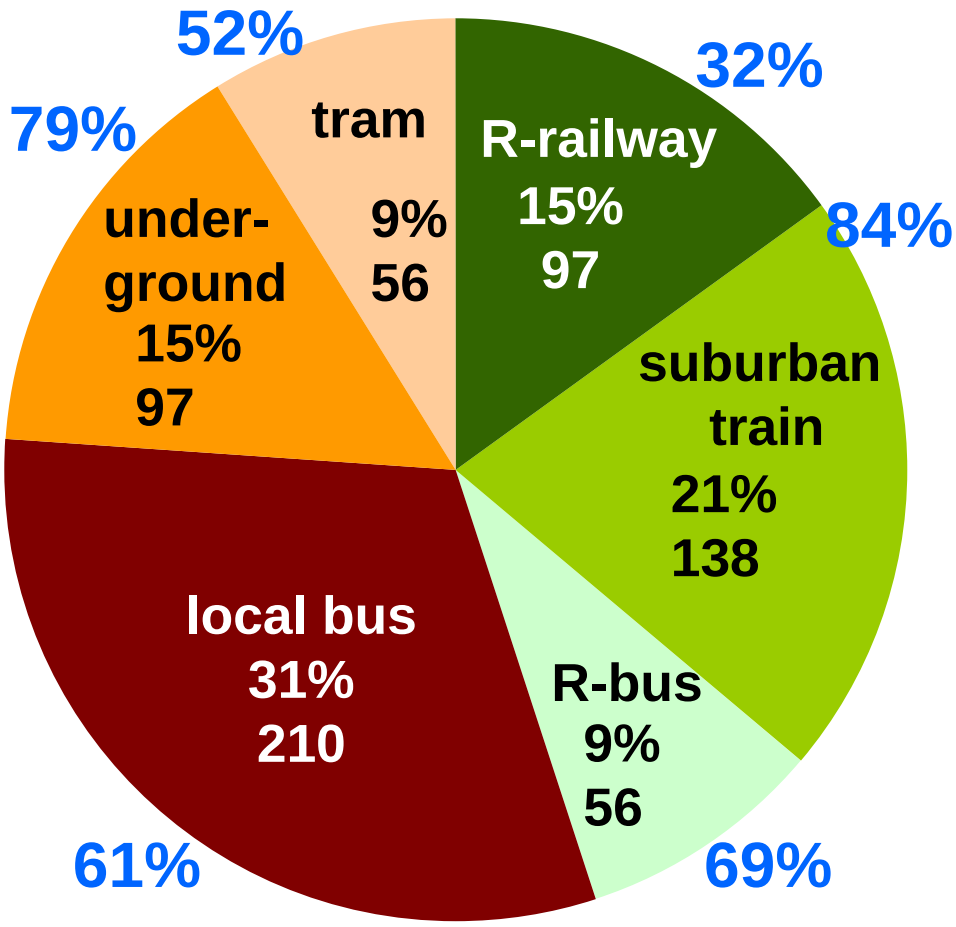
expenses and revenue

- year 2000 in million Euro -

sum: 1,12 billion Euro



sum: 0,65 billion Euro



covering costs rate (2000): 58%

Rhein-Main-Verkehrsverbund

Public Transport in Germany

- Foundation of Transport Associations („Verkehrs-Verbund“):

1965 Hamburger Verkehrsverbund HVV (by transport companies)
1972 Frankfurter Verkehrsverbund FVV - Start 1974 (by tr. comp.)
1980 Verkehrsverbund Rhein-Ruhr VRR - 1990 Restructuring

- 70s and 80s foundations in metropolitan regions in Germany
- 1995 Rhein-Main-Verkehrsverbund as Regional PT Authority
- 2001 more than 25 associations and authorities
  - associations of companies (e.g Verkehrsverbund Stuttgart - VVS)
  - transport authorities (e.g. Rhein-Main-Verkehrsverbund - RMV)
  - mixed structured (e.g. Verkehrsverbund Rhein-Neckar - VRN)
- Now restructuring of associations to authorities

Reasons for the foundation of RMV as regional transport authority

- to cover a greater region of Rhine-Main-Area with it´s traffic relations

- to integrate regional transport and metropolitan transport

- to improve public transport service in the polycentrical area

- to improve efficiency of service

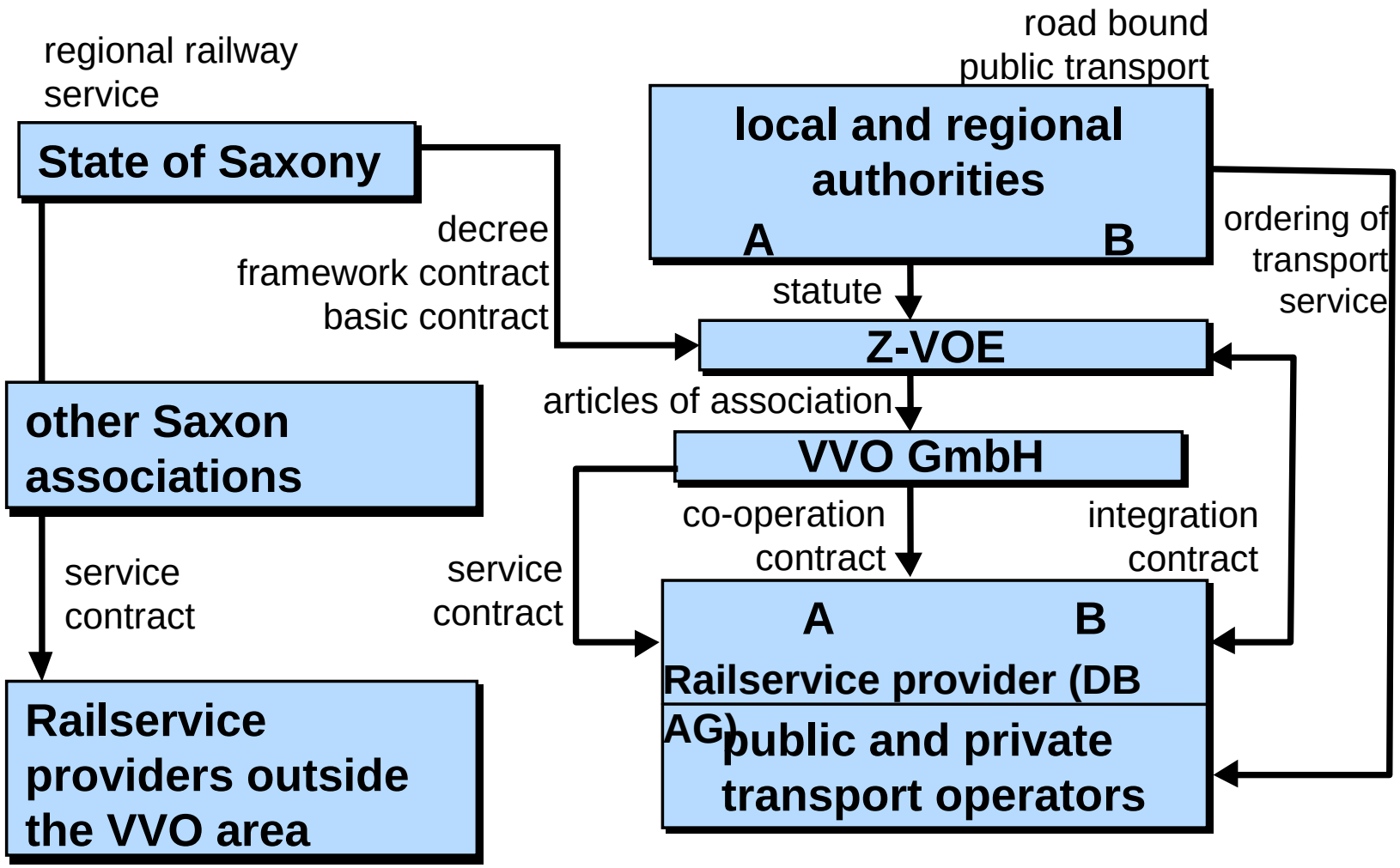
- to increase rate of usage of public transport

- to set up a regional awareness for further regional co-operation

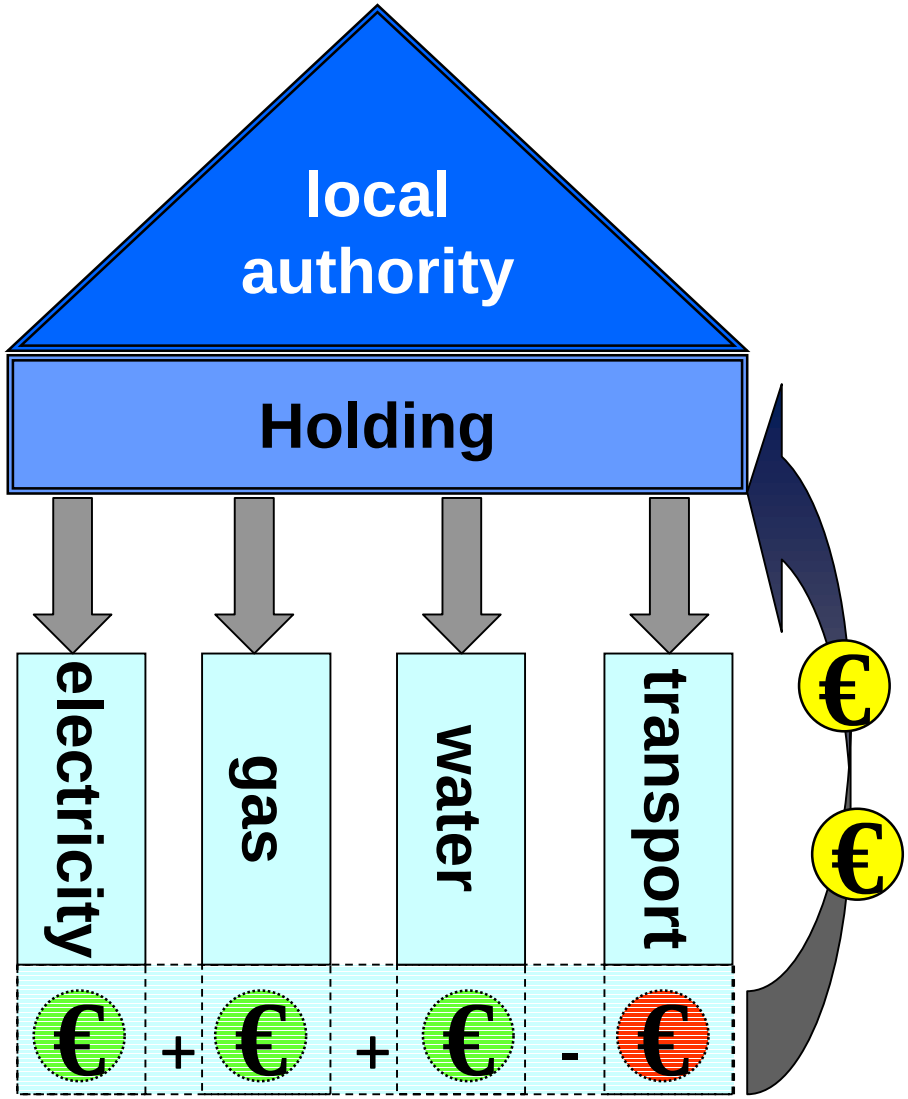
- to combine responsibilities and financial resources

- to meet european regulation in the field of competition

Example of the Structure of a Zweckverband: Zweckverband Oberelbe (VVO)



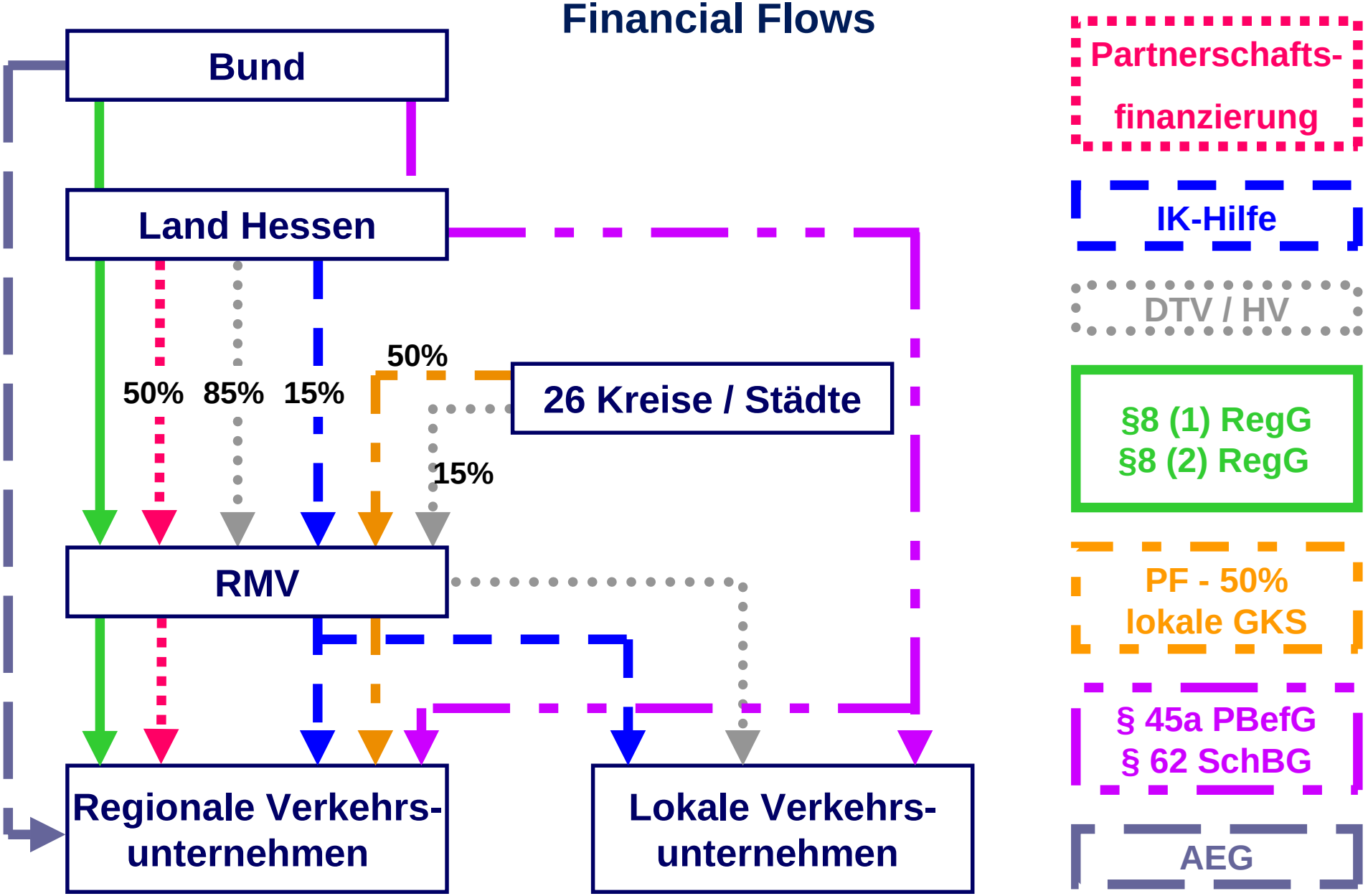
Stadtwerke Structure



Rhein-Main-Verkehrsverbund

RMV: Finanzierunginstrumente und Finanzfluss

Financial Flows



Session 2: What is the organisation for the authorities in charge of public transport in the cities?

The authorities responsible for the organisation of the public transport networks in European cities differ in the territory covered, the way in which the users are associated to decision making, and in the possibility for the public authority to operate all are part of the networks itself.

As is stated in the speech by Thomas Dill, project head, in charge of competition in Verkehrsverbund Berlín Brandenburg (VBB), the authority responsible for transports for the Länder of Berlín and Brandenburg, it is essential that the territory covered by the authority corresponds with the reality of the inhabitants' movements, so that the mode, price and information integration corresponds to the real needs.

The presentation by Lutz Aigner, director general of the Hamburger Verkehrsverbund (HVV), the authority responsible for the organisation of the public transport networks in the metropolitan area of Hamburg, describes the objectives and running of the Passengers' Advisory Committee, a consultation body which allows the users to take part in the decision making relating to the organisation of public transport.

The speech by Mauro Cigognini, assistant director of mobility and the environment in the city of Milan, sums up the reflections of the public authorities (Italian government, region of Lombardy and city of Milan) with regard to the opening up of competition in the public transport networks in 2003 and the important questions posed to the public authority for organising this competition (relating for example to the ownership of the infrastructures).

In Brussels, on the other hand, as is shown in the paper by Thierry Duquenne, head engineer of the administration and facilities and movements competition is not considered in the same terms. The contract signed between the authority and its public operator envisages, in effect, a distribution of the responsibilities for the strategic mission, and also the responsibility of the operator for the whole of the tactical and operative missions.

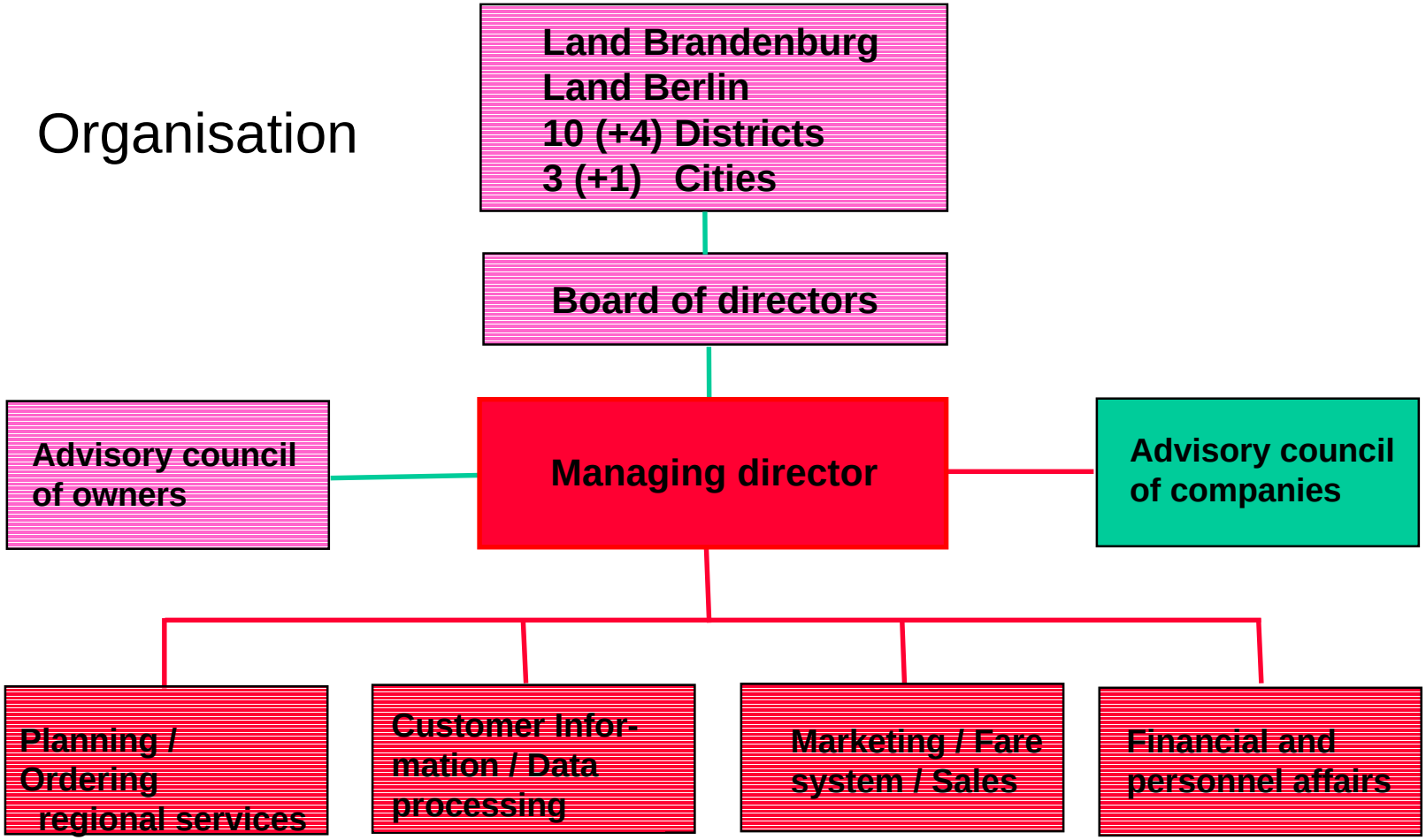
Authorities in charge of public transport and tariff zone of the Verkehrsverbund Berlin - Brandenburg

www.vbbonline.de

Verkehrsverbund Berlin-Brandenburg GmbH
Hardenbergplatz 2
10623 Berlin

Verkehrsverbund Berlin-Brandenburg

Organisation



Verkehrsverbund Berlin-Brandenburg GmbH
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Structural Data Berlin / Brandenburg

	Berlin	Brandenburg	Total
Area (sqkm)	890	29.480	30.370
Inhabitants (mio)	3,4	2,6	6,0
Employees (mio)	1,5	1,2	2,7
Passengers			
Per day (mio)	2,9	0,5	3,4
Per year (mio)	1.068	161	1.229
Companies	2	33	35

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Structural Data Berlin / Brandenburg

	RE/RB	S-Bahn	underground	tram	bus
Number of lines	52	15	10	55	1.157
Number of vehicles	460	1.500	1.382	737	2.684
Number of train/car km (mio per year)	37	32	22	20	172

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Verkehrsverbund Berlin-Brandenburg

Main tasks VBB

Integrated planning

- **Integration of regional and traffic planning**
- **Integration of public transport and private traffic**
- **Integrated planning of regional and local services**
- **Advising lands and local authorities concerning investments**

Integrated service

- **Coordination of regional and local operators**
- **Optimizing of connections**
- **Optimizing of connecting points**

Managing regional train and bus service

- **Concepts for service standards and tendering processes**
- **Planning, tendering and ordering rail services and regional bus lines for both Berlin and Brandenburg**
- **Quality control / Qualitiy management**

Managing local service

- **Concepts for service standards and tendering**
- **Planning, tendering and ordering local services for districts and cities**
- **Quality control / Qualitiy management**

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Verkehrsverbund Berlin-Brandenburg

Main tasks VBB

Integrated fare and distribution system	**- Development and introduction of an integrated fare system for regional and local services** **- Harmonizing of technical equipment** **- Harmonizing of regulations** **- Development of a system for sharing the fare income**
Integrated passenger information	**- Developmemnt of concepts and standards** **- Harmonizing contents and design** **- Development of an integrated data base** **- Using modern computer based systems** **- National and international cooperation**
Integrated marketing and public relations	**- Integrated marketing for transport systems** **- Harmonization of activities of companies** **- Common advertising for public transport**
Electronic ticketing	**- Development of an electronic ticketing system**

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Development Chances of Transportation Services connecting Berlin and its surrounding Region

- Growth of population in the regions of the city, the state, and the surrounding
  metropolitan area require new initiatives in metropolitan transportation services

- Passengers´ rides are based on the comfort found in individual motorized traffic

- A high quality standard of services has to be maintained in all areas serviced
  by the S-Bahn

- All transportation providers in the “Umweltverbund” (ecological association) guarantee uninterrupted passengers´ rides at certain interfaces (which have to be identified)

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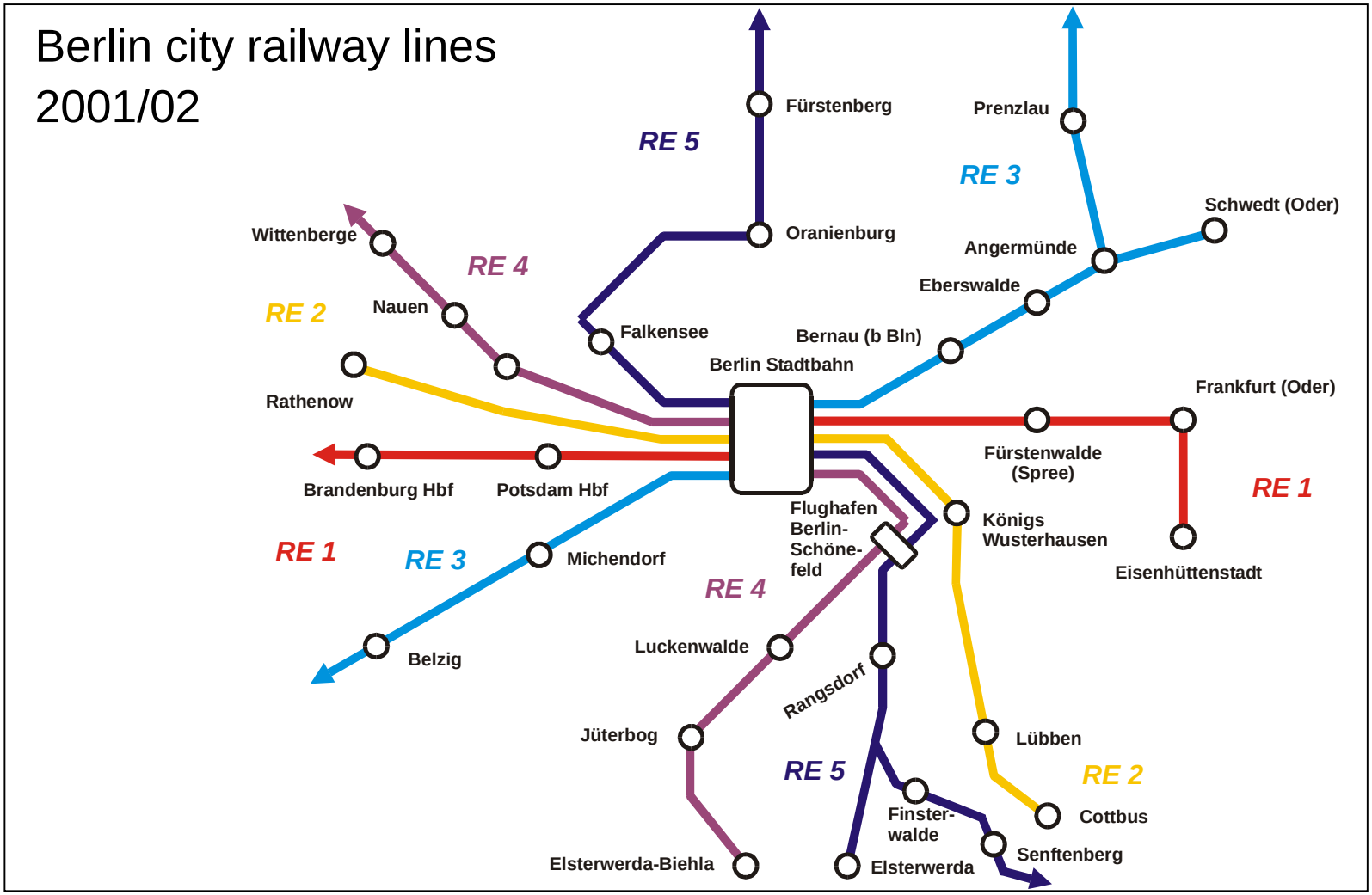
Adapted schedules between Berlin - Brandenburg



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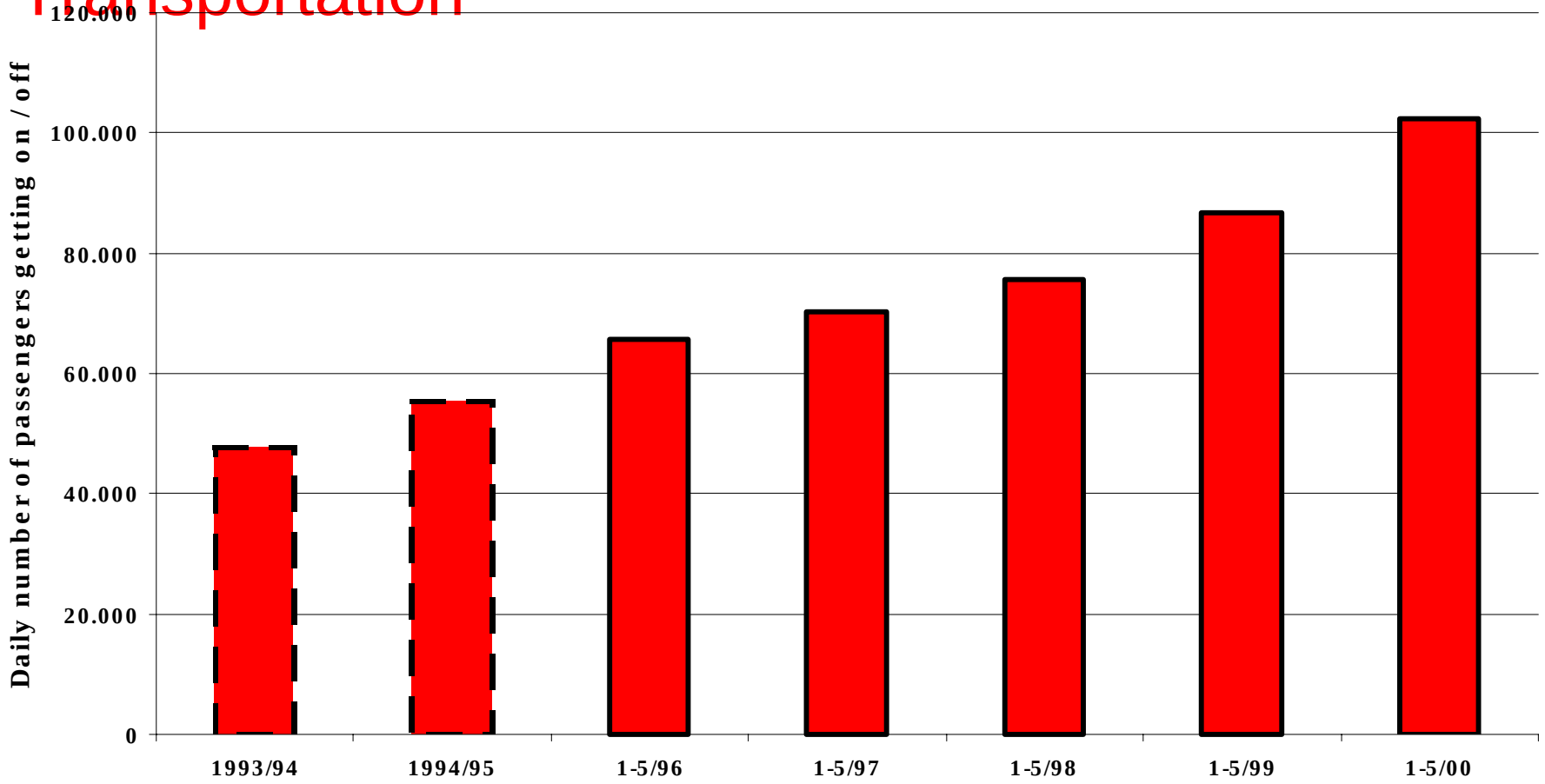
Passenger Development in Regional Transportation



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Responsibilities of the Verkehrsverbund

- Cooperation in long-term planning

- Unified service concept / integrated, i.e. inter-connected
  schedules

- Organization of financial transfers and subsidies

- Placing and allocation of SPNV (local passenger railway)
  services

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Advantages of the Verkehrsverbund

- Integrated public transportation services

- Integrated view of mobility

- Unified ticket and fare system

- Instrument for the realization of the “Decentralized Concentration”

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Lutz AIGNER
HVV

PAC at the Hamburger Verkehrsverbund

Presentation Barcelona

PAC at the Hamburger Verkehrsverbund GmbH

1. Introduction

Hamburger Verkehrsverbund GmbH (HVV) is the guidance organization for local public transport in the metropolitan region of Hamburg. We represent the interests of the competent transport authorities - i.e. the regional states and boroughs or rural districts participating in HVV - as regards planning, financing and ticketing measures for local public transport. In all, eleven public transport operators are active in our area and provide rapid transit rail, bus and harbour waterbus services. The HVV service area covers approximately 3000 square kilometres and is home to 2.6 million residents. Around 500 million people use our services annually.

How is a passengers` advisory committee to be organized in such a situation?

The Passengers` Advisory Committee enables us to involve our customers in the planning of local public

transport. On the one hand this means that issues directly affecting the passenger can be merged into the planning process. Another benefit is that discussions on and around local public transport can be directed into specific channels. Expressed simply: In addition to its role in evaluating complaints and delegating quality testers, the Passengers` Advisory Committee has become an important barometer as regards the acceptance of local public transport in the Hamburg region. But it is more, as I should now like to reveal to you.

2. Establishment at HVV, Organization

In 1997 we established the Passengers` Advisory Committee at HVV. Its
task is to advise HVV and to integrate passenger issues into the work performed by HVV. Conversely we at HVV inform the Passengers` Advisory Committee on current developments and plans.

The Passengers` Advisory Committee was quite intentionally linked to the HVV Supervisory Board which is made up of the competent transport authorities. A member of the Supervisory Board heads the Passengers` Advisory Committee. The HVV Executive Management is therefore only

involved in an advisory capacity. The advantage of this structure is that any request put forward by the Passengers` Advisory Committee in terms of financing can be directly submitted to the competent financial authorities following specialized assessment by HVV staff.

Our Passengers` Advisory Committee consists of 35 persons. In our opinion this is the maximum permissible size if the committee is to operate effectively. We decided on a mixed membership structure for the committee, i.e half of the members are independent non-professionals, the other half represent organizations such as the National Association of Cyclists, the Senior Citizens` Advisory Committee, Pro Bahn, a rail users` committee, the Regional Women`s Council, associations representing the disabled or handicapped, but also trade unions and the Chamber of Commerce.
Our underlying expectation was that institutional discussions on local public transport might in this way be pooled and the competent expertise of the Passengers` Advisory Committee increased. This expectation was fully met. Initial fears that the organized members would dominate the independents during discussions proved to be unfounded. Time and time again we have been

astonished by the assertiveness and competence of these so-called laypersons.

Once a year the spokesperson of the Passengers` Advisory Committee reports on its work to the Supervisory Board. The committee also elected one of its members as deputy spokesperson.

As regards membership of the Passengers` Advisory Committee we advertised vacancies for independent members in the daily press. Over 800 applications were received, of which 17 were selected in such a way as to ensure proportional representation in terms of sex, age and area of residence.

The rejected applicants were given the opportunity of serving as quality testers and in this way of evaluating HVV service performance on their lines and routes with the aid of questionnaires. Around 300 customers have so far taken up this offer and provide us with valuable assistance. One small point in passing: Well-known troublemakers were filtered out right at the start. After all, it is vital for such a committee to conduct
its activities effectively.

3. Organization of the activities performed by the Passengers` Advisory Committee

On one early occasion the constructive working atmosphere within the Passengers` Advisory Committee almost turned sour when certain organized participants representing very fundamental viewpoints attempted to gain influence and steer debates leading to the creation of the Rules of Procedure. It was interesting to note that the independent members soon put an end to this. As a result we were soon able to draw up a few basic rules to facilitate the work of the committee.

- The passengers` Advisory Committee meets quarterly.

- The weekday is always a Wednesday.

- Each meeting lasts no longer than two hours.

These rules are strictly observed and so enable precise planning for those members who sacrifice their leisure time for committee work. In addition the Passengers` Advisory Committee has created working groups which meet more frequently. These working groups are monitored by HVV staff members and focus on the following priority issues:

1. Fares and Ticketing

2. Network (Layout of stops and halts, line and bus routing)

3. Quality (Service, Safety and Security, Information etc.)

The working groups draw up priority topics, present them in the plenary meeting and propose their implementation. Of course this must first be discussed with the public transport operators and then resolved by the Supervisory Board.

Representatives from the local public transport operators are invited to discussions on special issues, as was the case during a series of breakdowns or failures on S-Bahn rapid transit rail services, on abolition of the first class, or during deliberations concerning the conveyance of bicycles on our vehicles. Occasionally we have convened at the offices of the operators and were shown around their depots or operational control centres. The public transport operators take the Passengers`

Advisory Committee very seriously and make every effort to create a positive impact.

The Passengers` Advisory Committee does not convene in public. We concluded that public relations work should be focussed specifically and in agreement with HVV. This enables us to provide the Passengers` Advisory Committee with confidential and internal information. This procedure has proved its worth. Misuse of internal information has not yet occurred.

4. Examples of practical activities

Initiatives proposed by the Passengers` Advisory Committee for implementation into the work at HVV mainly arise from the following sources:

- Passengers who approach members of the Passengers` Advisory Committee with their concerns

- Requests and proposals from the participating organizations

- The result of activities conducted by the working groups
- The official exchange of ideas organized by the Passengers` Advisory Committee once a year during which brainstorming can lead to the creation of quite unusual ideas.

Generally speaking the proposals submitted by the Passengers` Advisory Committee may be considered as essentially sound and feasible. Self control already eliminates unrealistic proposals such as calls for zero fares. Over the past four years the committee has acquired a remarkable level of know-how. From time to time this actually leads to quite humorous situations. The following may serve as an example. Practical constraints such as those resulting from the restrictions on public funding are often felt more keenly by the Passengers` Advisory Committee than by HVV staff. In certain such cases we actually had to urge and encourage the committee to come up with more unorthodox ideas and proposals.

I should now like to draw your attention to a few examples of results of work by the Passengers` Advisory Committee which were then submitted as

requirements for the attention of HVV and the local government:

- The conveyance of bicycles on all public transport vehicles at any time, even in peak periods

- Better equipment of the network with public toilets

- Better information during service breakdowns or interruptions

- Strict adherence to the ban on smoking

- More ergonomic design of seats at stops or halts

- Creation of bus capes, pavement outcrops which enable easier access to buses

- Bus priority measures at traffic lights

Such proposals submitted by the Passengers` Advisory Committee were often accompanied by detailed concepts, drawings, illustrations or the like. I personally was astonished at the high standards in correct passenger behaviour which the committee

expects and encourages. Rigorous demands are accordingly directed at the local public transport operators as regards adherence to the ban on smoking, or stricter admonition of youngsters who put their feet up on seats etc.

It was not possible to implement all the requests made by the Passengers` Advisory Committee. Yet in certain cases its members were prepared to accept the necessary technical or financial restrictions.

In the year 2000 the following demands were submitted to the Supervisory Board of HVV GmbH. In part, these have already been implemented, are in the implementation phase or are yet to be fulfilled by HVV. At the same time the Passengers` Advisory Committee also gave express support by way of their resolutions to a number of projects already initiated by HVV.

- Extension of the HVV service area into northern and southern sectors of the metropolitan region of Hamburg.
  Both projects have already seen conclusion of the conception phase. Regional extension of the HVV service area to the north of Hamburg will take effect on 15.12.2002.

- Adequately heated vehicles.
  Significant improvements have already been made.

- Adjusted support grips on buses for standing passengers of different heights.
  This is still pending.

- Upgrading of emergency help points for the additional provision of passenger information.
  This has been effected.

- Establishment of a central complaints centre.
  A central passenger information service already exists. Expansion for the inclusion of a central complaints centre is due to take place within the framework of the planned creation of a mobility centre.

These are only examples of the activities in which the Passengers` Advisory Committee is involved. The range of proposals it submits either focus on fundamental issues in transport policy or are quite pragmatic and finely detailed.

From our current standpoint we can conclude that the Passengers` Advisory Committee is a body which enables passenger requests and concerns to be directed into channels which facilitate our work. The committee operates in a competent and constructive manner. Initial fears that it would prove to be more of a problem for us than an asset, particularly in the public eye, were unfounded. The key strength of the Passengers` Advisory Committee lies in the creation of unorthodox proposals which are nevertheless seen as practical and in a positive light by passengers. We devote considerable attention to the Passengers` Advisory Committee, especially to its specialized working groups. This is a point to be carefully considered when setting up such a committee. It requires a lot of attention and care if it is to function effectively. Yet such a committee can then become a valuable source of support for our work.

Thank you for your attention and interest.

Thierry DUQUENNE
Ingénieur en Chef
Ministère de la Région de Bruxelles

Management contract between the region of Brussels-Capital and the STIB

Ministère de la Région de Bruxelles
Rue du Progrès 80 bte 1
1030 Bruxelles
Belgique

Management contract between the region of Brussels-Capital and the STIB 2001 – 2005

1. DURATION OF THE CONTRACT

The management contract is an obligation stemming from the Order of the 22nd November 1990 relating to the organisation of transports in common in the Region of Brussels-Capital.

The third management contract between the Region and its operator, the Société des Transports Intecommunaux de Bruxelles (STIB) (Inter-municipal Transport Company of Brussels) of the 1st January 2001 to the 31st December 2005.

2. THE MISSIONS OF THE STIB

The missions of the STIB are defined in this contract and are the result above all, of the human means available both by the Autorité Organisatrice de Transport (The minister in functions of Transport) as well as by the STIB.

a) **The mission strategy** is shared out between the Region (Regional Plan of Movements of the 1st October 1998) and the STIB as regards "urban transport in common".

What is hoped to be achieved?

This aspect is taken on the Region.
Contribution of the STIB:

- Propose and advise (example: up-dating the movement plan "**Iris "**) ;
- Propose up-dating the regional legislation on transports in common.

b) **The tactical mission** corresponds essentially to the STIB although the Region imposes a certain level of service so that the territory is served in a homogeneous and fair way.

The STIB is in charge of:

- Offering the supplementary capacity for the 3 modes (tram, metro and bus)
- Improving inter-modality
- Integrating the networks
- Hierarchizing the networks

c) The operative mission is taken on by the STIB alone

- Level of production imposed
- Quality control
- Cost control

d) Complementary services

Also, the STIB is authorised to run the services called “mobility groups”

- Park & ride
- Parking & bicycle security
- Car-sharing
- Collective taxis
- Request transport

e) Other mission requested by the Region

- The public movement service for persons with reduced mobility.

- Public transport and bicycles: parking, signposting, transport outside rush hours (metro only for the time being due to insufficiently adapted rolling stock, tram and bus.

- Transport plans of institutions and companies

f) Citizens companies

- the STIB is in charge of giving an example in diverse aspects, such as noise and pollution.

3. THE MEANS THAT MUST BE USED

To develop a company plan based on the following:

- Responsibility
- Efficiency
- Transparency
- Client / product nearness

Financing: the main principles: annual balance of accounts;

- Conservation of the principle of regional guarantee for all the loan operations of the STIB (these loans are exclusively destined to investments)

- Regional commitment to recapitalising the STIB (debt of 0.5 thousand million euros)
  - Adjustment of the annual provision.
  - 2/3 provision = rate + 1 %
  - 1/3 provision = inflation + increase in income from traffic

Therefore, commercial success is taken into consideration

- A system of « Bonus – Malus » has been installed for the first time in Brussels:

Real production / Programmed production

So as to guarantee the level of production required by the Region, a malus is installed in the event of non-fulfilment of the minimum threshold; in the event that the production were to surpass this threshold, for example thanks to new services or increases in frequency, a bonus would be awarded to the STIB. This comes to 2 million EUR maximum.

Service quality and CEN certification

The aim is, at the end of the contract, to certify all the services of the STIB according to the CEN standard in preparation: Maximum value of the bonus: 3 million EUR.

Financial transparency

In order to be able to pay for the supplementary services and to be able to distinguish the missions of the public service from those which have a commercial nature, the STIB must set up a process of financial transparency with regard to its shareholder. A maximum sum is envisaged of 1 million EUR in the event that the application plan of this transparency is carried out.

4. **THE GREAT CHALLENGES FOR THE STIB**

- An important number of commitments and missions for the STIB on all levels.
- The absolute need to proceed with a deep redefinition of the organisation in order to be in the position to fulfil its commitments. This requires that the STIB evolves from a "professions" organisation towards a CLIENT, PRODUCT & RESULTS orientated organisation.
- By means of growth in income and cost control, to find savings in functioning in the period to the order of 25 million EUROS.

5. **THE STRATEGIC AXES OF THE STIB**

- The client is the centre of all the preoccupations and actions.
- To search for collaboration (companies, institutions,...)
- To have Human Resources, an essential basis of the STIB
- To continue the development of the parts of the market of the STIB
- To become the acknowledged leader in urban mobility in the region of Brussels

Municipality of Milan

Main Administrative Office
Environment and Mobility

Management and regulation of public transport services in the Milan urban area

Management and regulation of public transport services in the Milan urban area

THE REFORM OF LOCAL PUBLIC TRANSPORT

PRESENT REGULATIONS REGARDING THE RELATIONSHIP BETWEEN THE MUNICIPALITY AND THE A.T.M. S.P.A.

TENDERS AND FUTURE SCENARIOS

THE LEGAL FRAMEWORK OF REFERENCE

- Law n. 59 of March 15, 1997
- Legislative Decree n. 422 of November 19, 1997
- Regional Law n. 22 of Lombardy, October 29, 1998
- Legislative Decree n. 400 of September 20, 1999
- Regional bill n. 139 of Lombardy

OBJECTIVES OF THE REFORM

The objectives of the reform contained in Legislative Decree n. 422, 1997, as subsequently modified by Legislative Decree n. 400, 1999, can be summed up as follows:

Administrative decentralization

- ✓ TRANSFERENCE OF TASKS AND FUNCTIONS INVOLVING THE PLANNING AND ADMINISTRATION OF THE SERVICE TO THE REGIONS AND LOCAL AUTHORITIES

Elimination of Monopolistic structures

- ✓ THE TRANSFORMATION OF SPECIAL ENTERPRISES AND CONSORTIUMS INTO JOINT-STOCK COMPANIES OR LIMITED-LIABILITY COOPERATIVES
- ✓ INTRODUCTION OF PROCEDURES FOR CONTRACTING OUT HIRING PROCEDURES AND THE USE OF SERVICE AGREEMENT

Rationalization of public spending

- ✓ OPTIMIZATION OF THE USE OF AVAILABLE FINANCIAL RESOURCES THROUGH THE DEFINITION OF OBJECTIVES OF EFFICIENCY, EFFECTIVENESS, AND COST-EFFECTIVENESS

OBJECTIVES OF THE REFORM (continue)

Integration of fares and transport means, and improvement in quality

- ✓ DEVELOPMENT OF INTERMODALITY
- ✓ IMPROVEMENTS IN THE ACCESSIBILITY AND USE OF THE TERRITORY
- ✓ INTRODUCTION OF ADVANCED TECHNOLOGIES
- ✓ REORGANIZATION OF THE TRANSPORT NETWORKS
- ✓ IMPROVEMENT IN SECURITY

"Environmental" protection (sustainable development)

- ✓ CONTAINMENT OF POLLUTING ELEMENTS, ESPECIALLY IN THE URBAN CENTRES, AND A REDUCTION IN TRAFFIC AND GREATER ROAD SAFETY

LEGISLATIVE DECREE n. 400, 1999

DECEMBER 31, 2000

DEADLINE FOR THE TRANSFORMATION OF SPECIAL ENTERPRISES AND CONSORTIUMS INTO JOINT-STOCK COMPANIES OR LIMITED-LIABILITY COOPERATIVES, ALLOWING THE AUTHORITY IN CHARGE OF THE SERVICE TO REMAIN THE ONLY SHAREHOLDER FOR A PERIOD NOT TO EXCEED TWO YEARS

DECEMBER 31, 2003

DEADLINE AFTER WHICH ALL SERVICES ARE TO BE PROVIDED BASED ON PUBLIC COMPETITIONS

REGIONAL LAW n. 22, 1998

DECEMBER 31, 2001

DEADLINE FOR THE CONCESSION OF MANAGEMENT RESPONSIBILITIES FOR PUBLIC TRANSPORT SERVICES AND THEIR REPLACEMENT BY SERVICE AGREEMENT

DECEMBER 31, 2002

DEADLINE BY WHICH ALL SERVICES MUST BE AWARDED THROUGH PUBLIC COMPETITIONS. THE REGIONAL LAW ANTICIPATES BY ONE YEAR THE DEADLINE FIXED BY LEGISLATIVE DECREE n. 400, 1999, FOR THE COMPLETION OF THE FORMALITIES REGARDING THE COMPETITION PROCEDURES

REGIONAL BILL n. 139 OF LOMBARDY

The Regional Council of Lombardy is currently discussing a bill that would introduce several changes in Regional Law n. 22 of 1998.

- Ownership of the essential networks and facilities of the local transport service would belong to the local authorities (rail networks, the underground, motor vehicle depots located in the urban areas, etc.)

- Networks larger than 50 million trams and cars/km must be subdivided into subnetworks, each no less than 30% of the overall network. The underground transport network will constitute a single subnetwork.

Management and regulation of public transport services in the Milan urban area

THE REFORM OF LOCAL PUBLIC TRANSPORT

PRESENT REGULATIONS REGARDING THE RELATIONSHIP BETWEEN THE MUNICIPALITY AND THE A.T.M. S.P.A.

TENDERS AND FUTURE SCENARIOS

A.T.M. S.p.A. – The social entity

On January 1, 2000, the Milanese Transport Authority became a joint-stock company controlled by the Municipality of Milan (sole shareholder).

- The management of the transport services, with the related planning and operative organizational activities, as well as the services attached to the activity of transport and mobility in general;
- Planning, programming and organization of transport services and integrated mobility, including waiting and parking, on behalf of public and private enterprises;
- Studies and projects for planning, programming, operations and management in general, systems, structures, infrastructures and services for the mobility of persons, things and information;
- Construction, maintenance and repair of vehicles, property, facilities, and structures and infrastructures in general, connected to transport, mobility, waiting and parking;
- The promotion and marketing of goods, services and know-how inherent in the above-mentioned sectors.

A.T.M. S.p.a. – The services provided in figures

Population served	3 million inhabitants
Territory	1,052 sq km (Municipality of Milan + 88 communes in the province)
Size of the network	~ 1,400 km
Lines	3 underground lines (~70km) 97 automotive lines 18 tram lines 3 trolley-bus lines
Number of vehicles	~ 3,000
Annual distance covered	~ 136,000,000 km/year

A.T.M. S.p.a – The organizational structure Areas of business

The detailed presentation of the objectives of the transport Enterprise necessitates a more rational and efficient corporate structure, and thus the latter's organization into several divisions that correspond to the varies business areas.

- **TRANSPORT**
- **NETWORK AND VEHICLE MAINTENANCE**
- **VALORIZATION OF ASSETS**
- **VALORIZATION OF KNOW-HOW**

SERVICE AGREEMENT

Until December 31, 2002, the relationship between the Municipality of Milan and the A.T.M. will be regulated by the existing service agreement, which calls for:

- the characteristics of the services which are offered;
- financial planning and its variations;
- the minimum quality standards for services;
- efficiency and effectiveness objectives;
- the monitoring and control of services;
- the use of facilities and infrastructures belonging to the municipality;
- the maintenance of facilities and infrastructure;
- sanctions and incentives.

Management and regulation of public transport services in the Milan urban area

THE REFORM OF LOCAL PUBLIC TRANSPORT

PRESENT REGULATIONS REGARDING THE RELATIONSHIP BETWEEN THE MUNICIPALITY AND THE A.T.M. S.P.A.

TENDERS AND FUTURE SCENARIOS

THE PLANNING OF SERVICES

The municipality of Milan is drafting the Three-year Program for Public Transport Services, on which the competition procedures for assigning the services will be based.

This program calls for:

- The overall network and its possible subdivision into subnetworks;
- The minimum services, whose costs will be met by the budget of the Lombardy Region, necessary for meeting the citizens' demand for mobility;
- The additional services, whose costs will be met by the budget of the municipality of Milan;
- The division of the financial resources among the various subnetworks;
- The procedures for the competitions to determine who will provide the services.

MAIN ALTERNATIVES IN THE CHOICE OF COMPETITION MODEL (1/4)

ALTERNATIVES	INDICATIONS FOR THE CHOICES	
	PRO	CONTRA
PROPERTY ASSETS TO THE MANAGERS	• Patrimonial solidity of the manager	• Entry barriers for new operators • Risk of legal action
PROPERTY ASSETS TO THE MUNICIPALITY	• Greater competition • “Transparent” valorization of the assets	• Need for changes in the company structure and the reallocation of the routine and extraordinary maintenance functions

MAIN ALTERNATIVES IN THE CHOICE OF COMPETITION MODEL (2/4)

ALTERNATIVES	INDICATIONS FOR THE CHOICES	
	PRO	**CONTRA**
GROSS COST OF COMPETITION	• Management simplicity for the administrator • Benefits of the policies for the city's traffic • Facility of dividing up the revenues and of the economic management of the competitions	• Management of the revenues by the City or through a third party
NET COST OF COMPETITION	• Management of revenues by the administrator	• Business risks difficult to manage by the personnel involved • Possible reduction in savings

MAIN ALTERNATIVES IN THE CHOICE OF COMPETITION MODEL (3/4)

ALTERNATIVES	INDICATIONS FOR THE CHOICES	
	PRO	CONTRA
LONG CONTRACT PERIODS (9 YEARS)	• Possibility of more organic strategies	• Risks that regulator becomes “co-opted”
SHORT CONTRACT PERIODS (6 YEARS)	• Greater competition • Containment of risks associated with the opening up of the market	• Possibility of less attractiveness for the personnel involved

MAIN ALTERNATIVES IN THE CHOICE OF COMPETITION MODEL (4/4)

ALTERNATIVES	INDICATIONS FOR THE CHOICES	
	PRO	CONTRA
SINGLE LOT	• Managing simplicity	• Difficulty in the management of the industrial relations system
ECONOMICALLY EFFICIENT LOTS	• Greater competition • Proven economies of scale • Greater capacity by the municipality to manage emergency situations and possible future conflicts in the industrial relations	• Integration of services by the Municipality or by a third party

A.T.M. S.p.A. - Possible scenarios regarding its evolution

In order to carry out what is called for in the regional bill to modify the present legal framework regarding the ownership of the infrastructures and the vehicle depots, there could be a breakup of the company, also as regards the basic processes involved in the different business areas.

- Creation of a company for the management and valorization of the infrastructures for mobility

- Creation of a company to manage transport services

Session 3: Financing the missions of the authorities in charge of the organisation of public transports in the cities.

There a few cities in which the running of the public transport networks reaches a financial balance, and generally it is the authorities in charge of organising these networks who have the responsibility of compensating the running deficits. In certain cases, the organising authorities are also in charge of financing the investment projects. This means that they can handle important financial resources in order to face these large expenses.

In most cases, the authorities responsible for transports have subsidies granted by the public authorities which make them up as their only resource. This is the case of Barcelona, as can be seen in the presentation by Lluís Rams, in charge of the “Transport systems financing” division of the Metropolitan Transport Authority (ATM), the authority in charge of organising public transport in the Catalan city.

In France, the public transport organising authorities have a resource dedicated to this, in the form of the tax paid by businessmen, both public and private (the Transport Payment). The presentation by Stéphane Lecler, in charge of budget and international affairs of the Syndicat des Transports d'Île-de-France, (Transport Syndicate of Île-de-France) describes how this resource works and the considerable financial weight, as illustrated by the example of l'Île-de-France.

As shown in the speech by Keith Howcroft, director of planning and communications of Greater Manchester Passenger Transport Executive, deregulation and privatisation of public transport in Great Britain (excluding London), has not had the result of suppressing any involvement by the public authorities in financing the transport networks. In fact, as well as the fact that they have a direct responsibility for making infrastructures like trams or light metro, the public authorities are also in charge of financing the reduced prices. In order to meet these expenses, they receive subsidies from the authorities which make them up, as well as contributions of capital or loans from central government so as to finance new infrastructures.

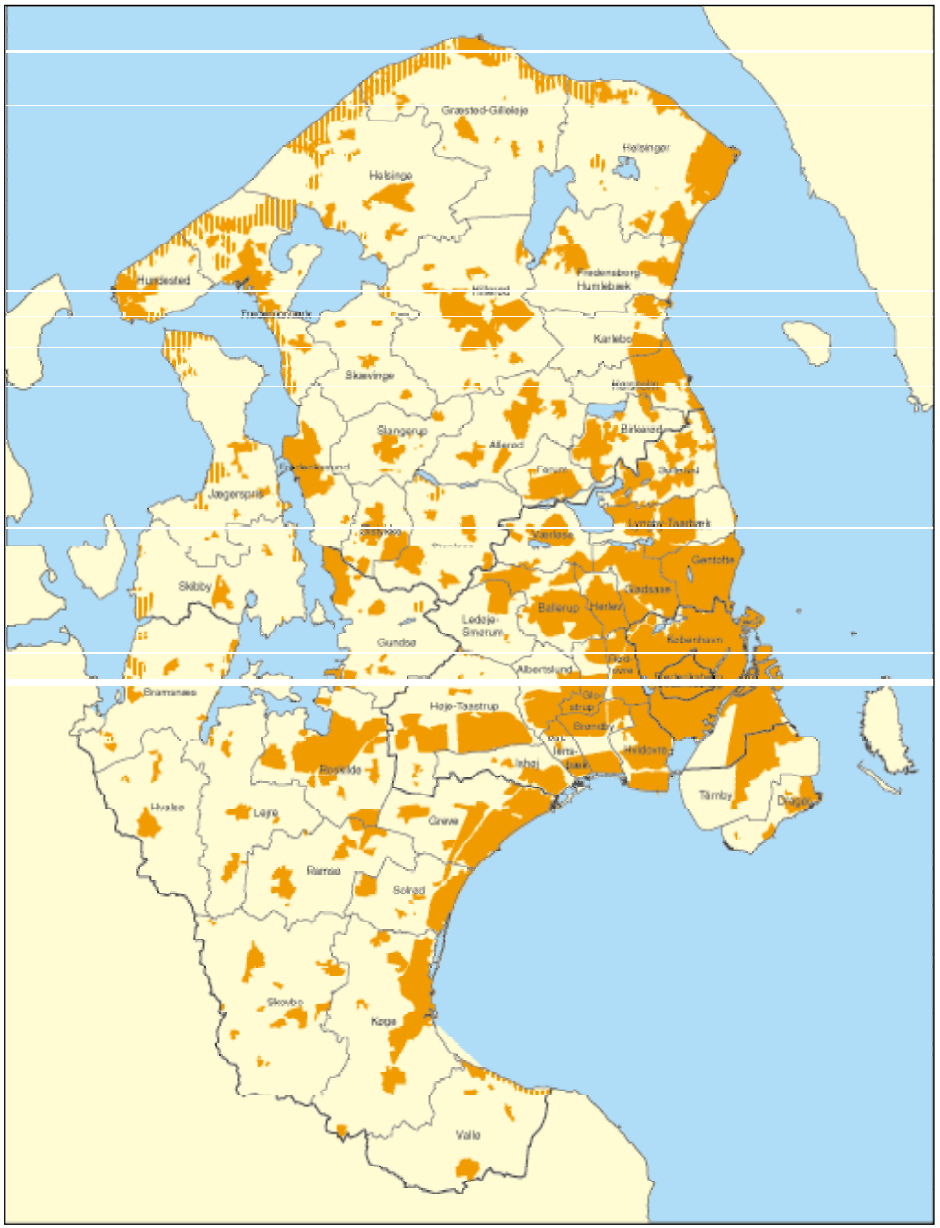
Regional Traffic Planning/ Improving Public Transport

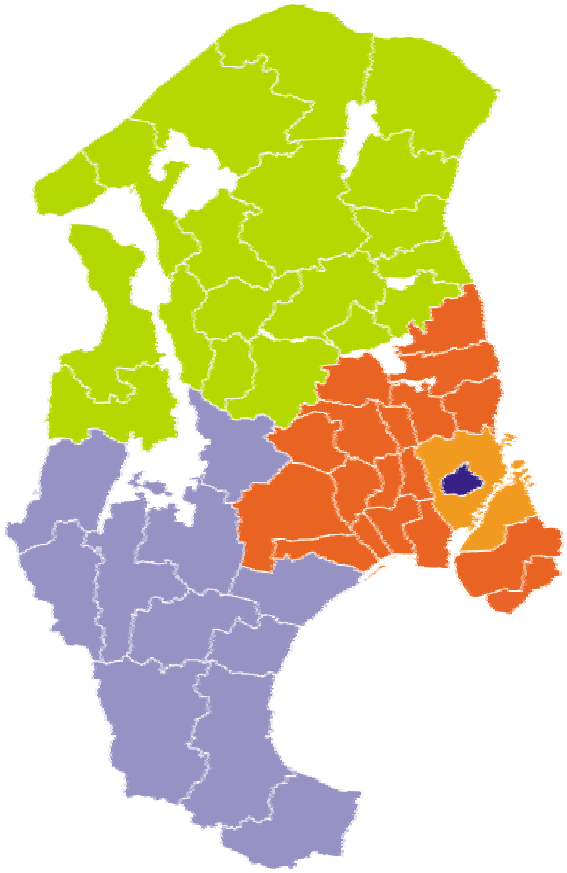
HUR

- EMTA, Barcelona, 8 Nov 2001

- ***Johannes Sloth***
  Managing Director of Transport
- ***Greater Copenhagen Authority***

HUR





City of Copenhagen

City of Frederiksberg

Copenhagen County

Frederiksborg County

Roskilde County

Creation of HUR

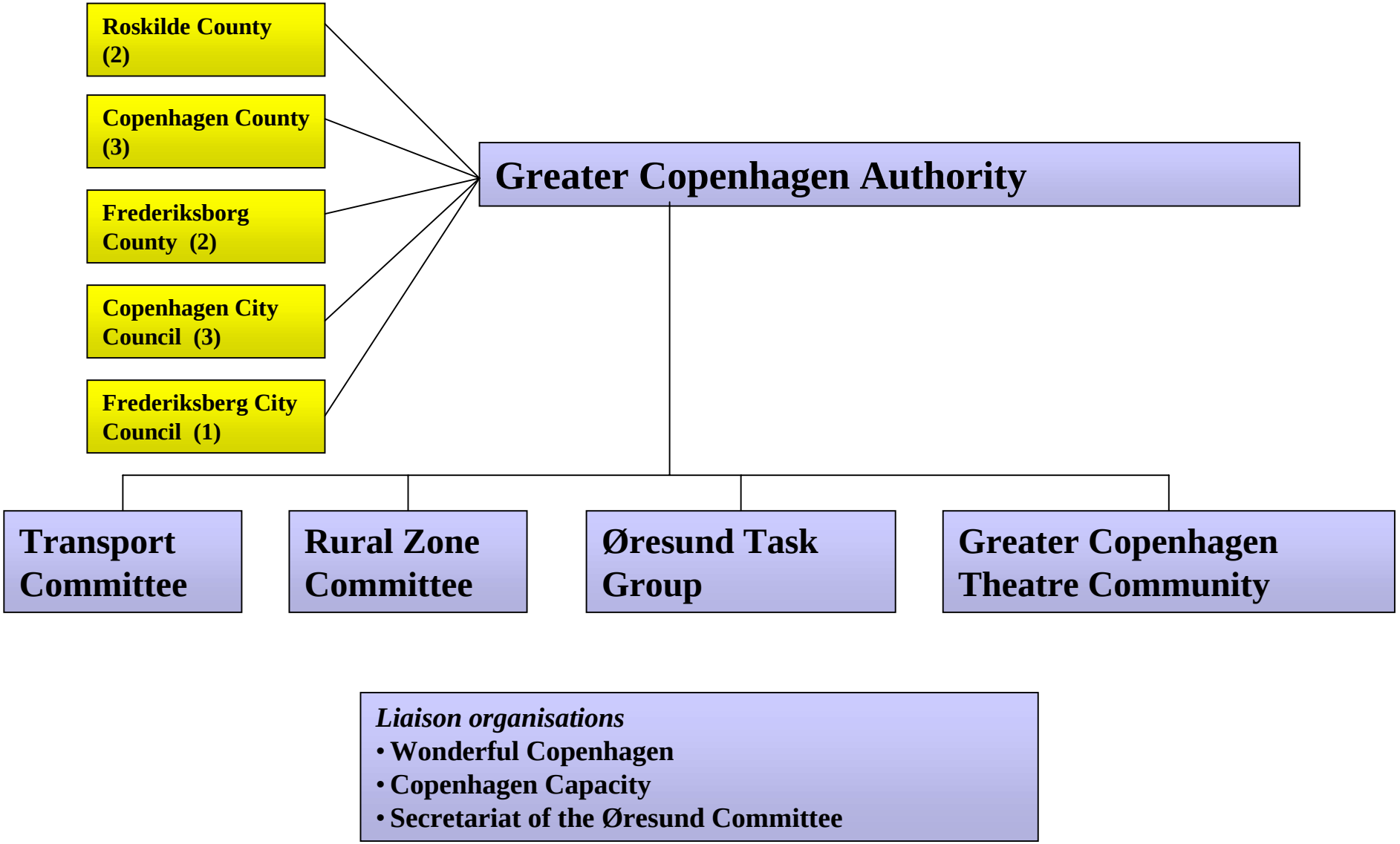
- 50 municipalities - 2 has county status - and 3 counties. Each one had own individual regional planning
- However, the Greater Copenhagen Region is one integrated region
- Increasing traffical problems - partly due to Øresundbridge
- Geographical and traffical planning are inter-related
- Tendency towards sub-optimization concerning area planning (residential areas, businesses, etc.)

=> Creation of new overarching regional authority:

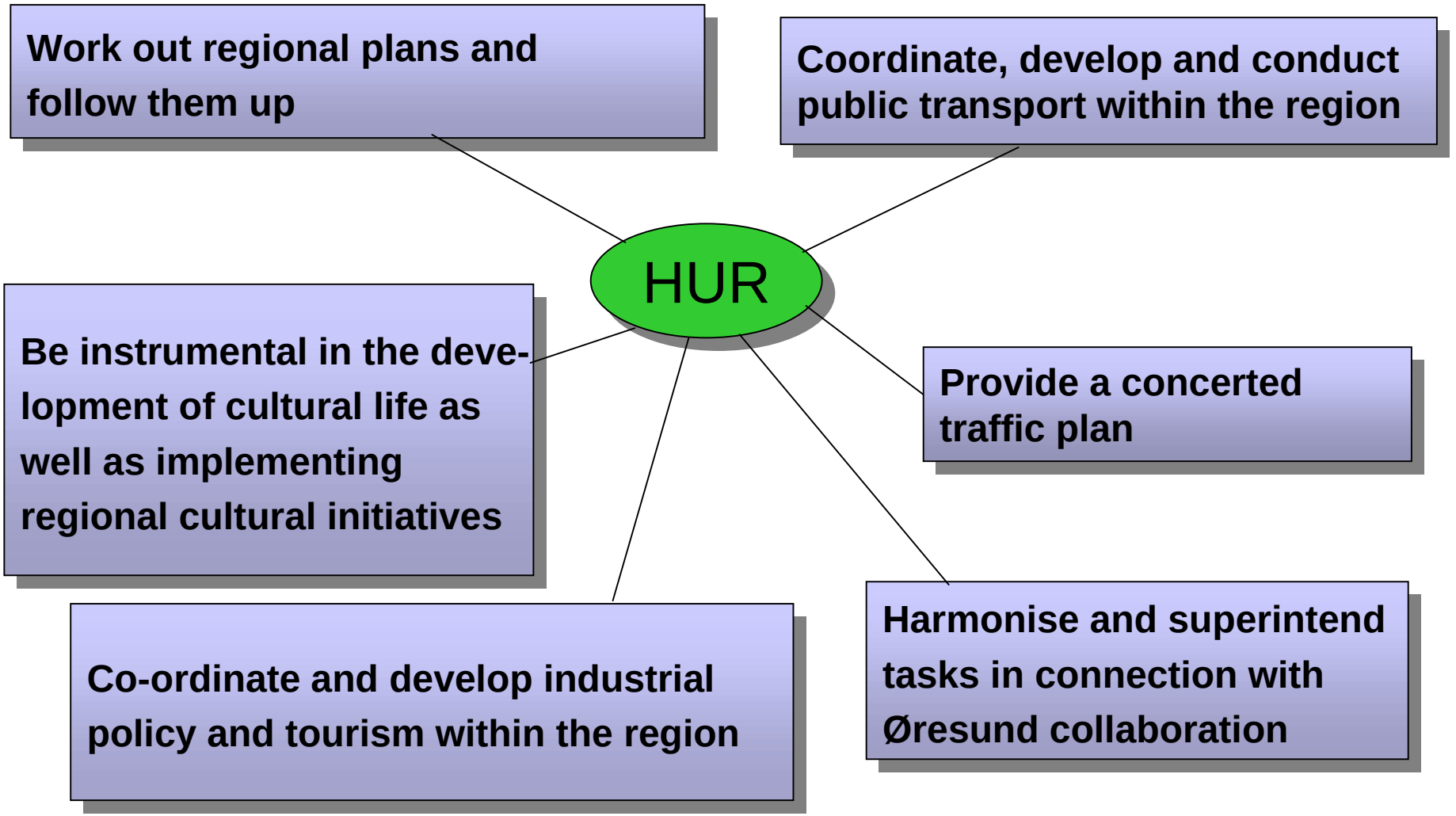
Greater Copenhagen Authority, HUR

HUR

HUR - Political organisation



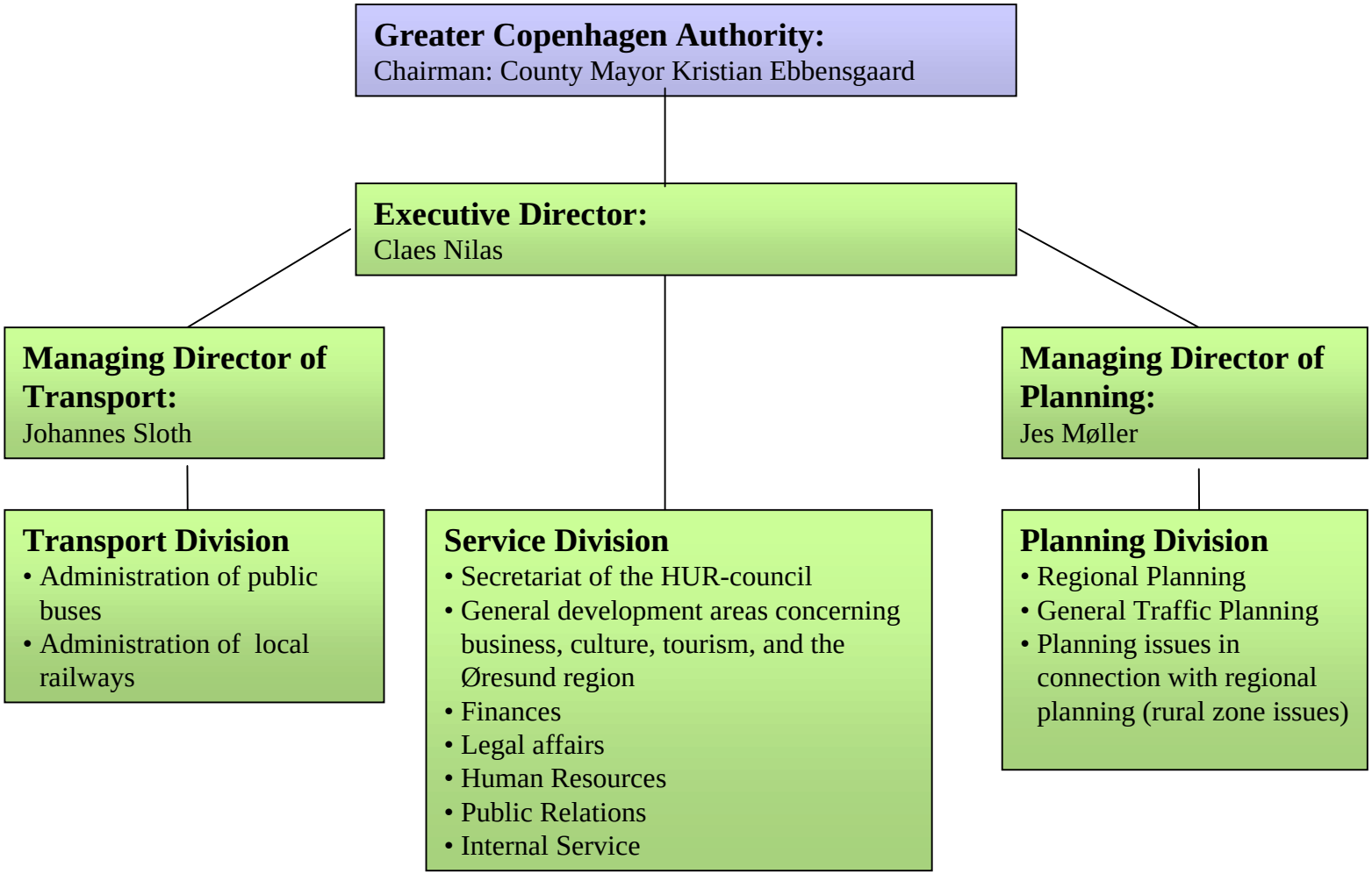
Greater Copenhagen Authority Tasks



Source: § 3, Act of Parliament on HUR

HUR

HUR Administrative Organisation



Transport Division - Public buses

- **Responsible for:**
  - **Tendering of all HT-bus services**
  - **Time tables**
  - **Marketing**
  - **Allocation of revenue**
  - **Terminals**
  - **Customer call-centre**
  - **Local railways**

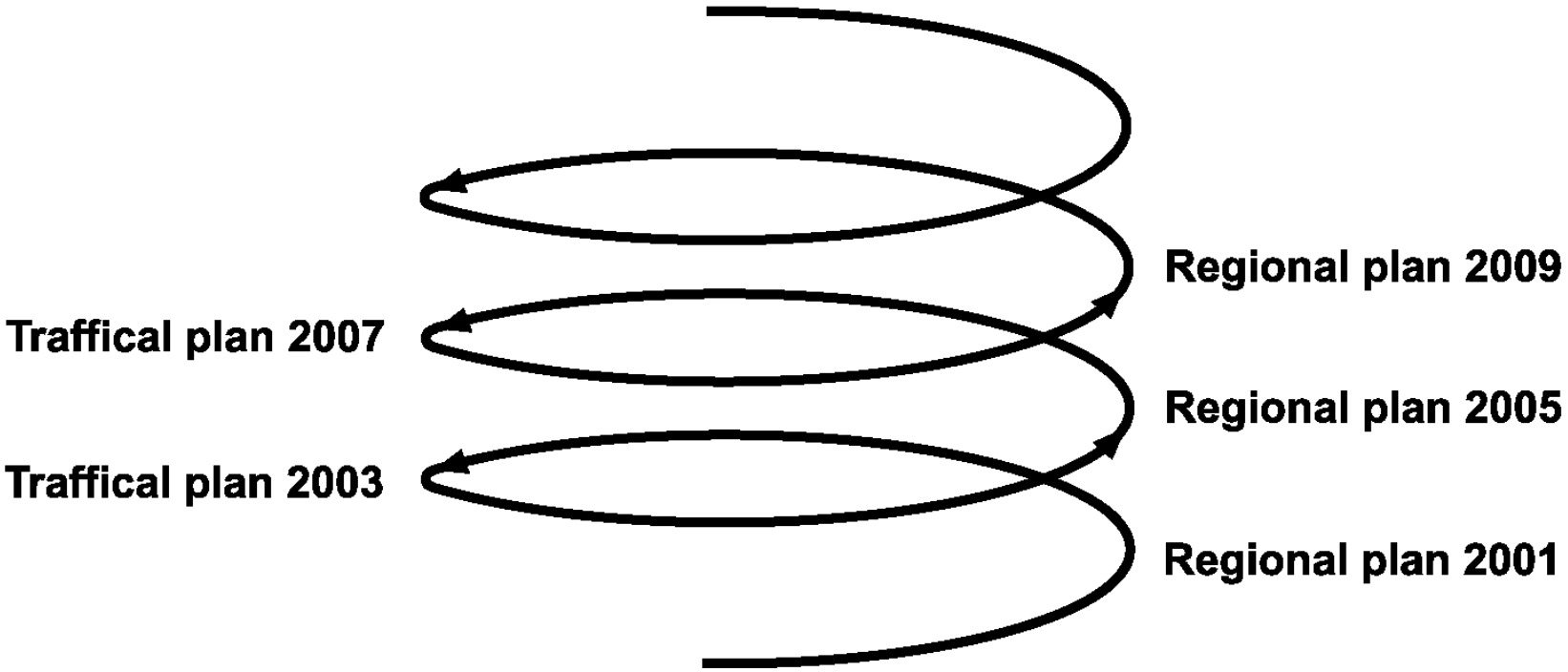
Planning Division

- **Responsible for:**
  - **Regional planning**
  - **Zonal statutory provisions**
  - **Coordination of plans**
  - **Analysis and statistics**
  - **General traffic planning**

HUR

One Comprehensive Traffic Plan 2003

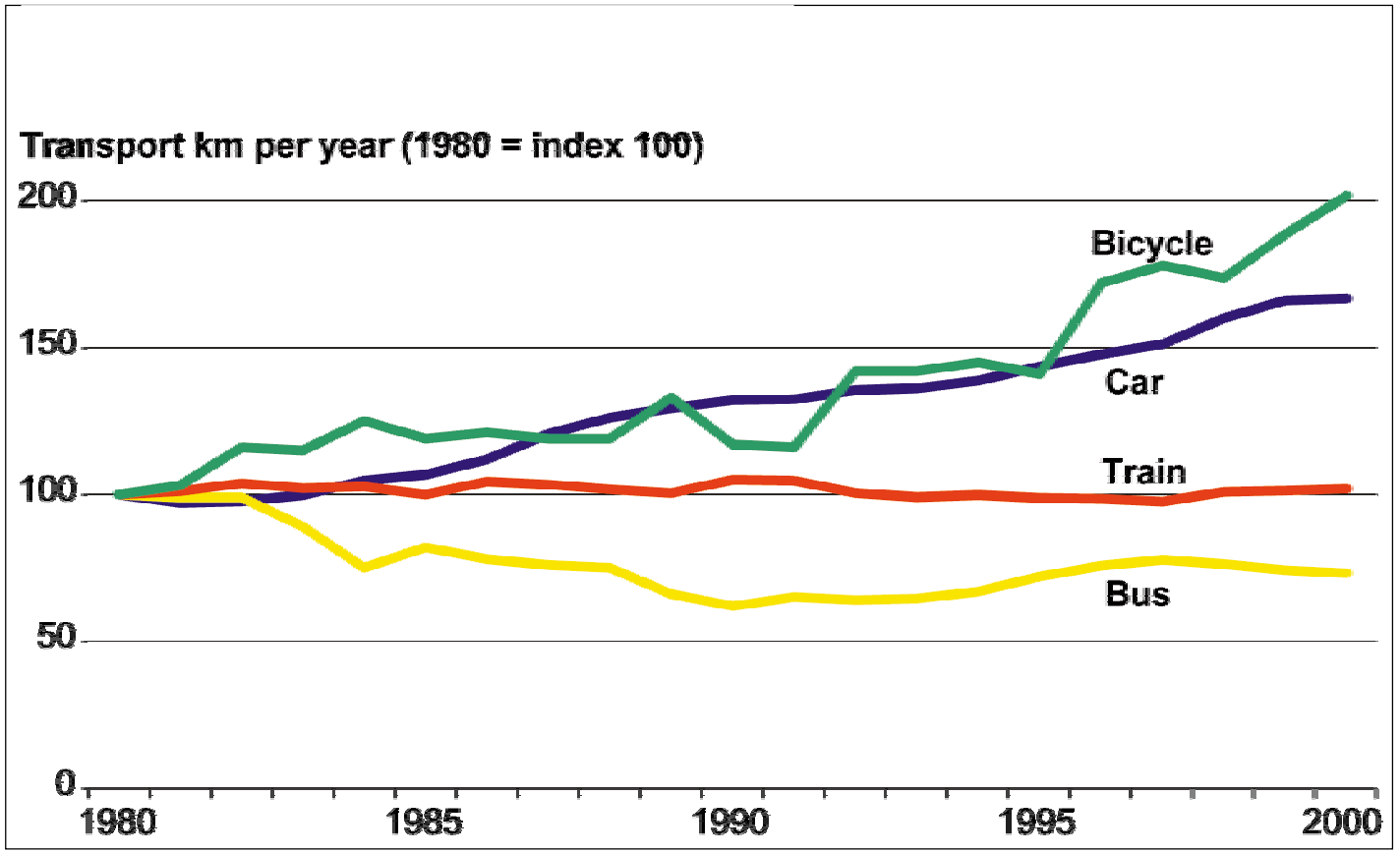
The planning process



Problems - challenges

- Many parties - state, state offices, counties, municipalities
- HUR is a new political level - members are indirectly elected
- No taxing authority - financing problems
- Streets are managed by state, counties and municipalities
- Trains and rail - operated and owned by the State (except 6 minor local railways in the outskirts of the region)
- Final solution must therefore be negotiated with all parties

Traffic Development



Tendencies...

- Increasing level of car ownership - more parking
- Increasing number of inhabitans
- More traffic on motorways
- More congestion in in the city
- Passability problems
- Public tranport losing market shares
- More bikes

=> Except the bikes - problems known from all major cities

Traffic projects

HUR

Copenhagen Metro

- Inauguration 2002
- 21 kms long, 11 on the gound, 10 in tunnel
- 3 Minutes Intervals
- 24 hour operation
- 30 MpH
- Fully integrated in the common fare system

City Network - trunk line system

- New transport situation after Metro in 2002
- Simplification of city bus network
- Higher frequency
- Double-deckers
- Shorter waits and easy transfers
- No fixed time tables
- => Increasing attractiveness of public transport
- => Higher quality in public transport

Park’n Ride

- Intermodal solutions
- Circular road project
- Park’n Ride facilities =>
  - •Cars outside city centre
  - •Public transport inside

EMTA Conference - Barcelona, November 2001

Richard Wallace
National Rail Liaison Manager
Rail Services

Transport *for* London


Transport for London
TfL - a good example of multi-modal competence?
EMTA Conference - Barcelona, November 2001

Transport *for* London

Governance in London - The Statutory Framework

- Greater London Authority Act 1999
  - Establishment of Mayor and the GLA
  - creation of Transport for London & reconstitution of functional bodies -
    - LDA - development, MPA - police, LFEPA - fire etc.
- Transport Act 2000
  - formalised the SRA & amended GLA Act 1999

Ken Livingstone
Mayor of London

- Transport for London
  - London Bus Services Ltd
  - River Services
  - Croydon Tramlink
  - Docklands Light Rail
  - Street Management
  - Public Carriage Office (taxis & minicabs)
  - Victoria Coach Station
  - London Underground
  - National Rail Network
- London Development Agency
- MPA
- London Fire Authority

Transport *for* London

Principal Purposes of the GLA

- Promotion of economic development and wealth creation
- Promotion of social development
- Promotion of the improvement of the environment
- Area of responsibility - Greater London
  - the City, the Boroughs,……..plus?

Transport *for* London

Mayor's Responsibilities

- Transport
- Highways
- Police
- Fire
- Environment
- Planning/Development

Transport *for* London

Production of Strategies

- Transport Strategy (multi-modal delivery)
  - encompassing all forms of transport
  - continuity through Local Implementation Plans (LIP's)
- Regional Development Agency Strategy
- Spatial Development Strategy
  - strategic planning policies
- Environmental
  - biodiversity action plan, waste management strategy

Transport *for* London

GLA Act - Mayor's Transport Duties

- Section 141 - The General Transport Duty
  - to develop & implement transport facilities and services "to, from and within London"
  - production of the Transport Strategy to give effect to the general transport duty

- Government control through section 143
  - consistency with national policies

Transport *for* London

T*f*L's Transportation Functions

- Rail Services
  - DLR
  - national rail
  - rail projects
- Underground
- Tramway
- Bus
- River Services

- Street Management
  - Highways
  - traffic regulation
  - congestion charging
- Public Carriage Office (Hackney Carriage)
  - taxis
  - private hire vehicles

Transport *for* London

Ten Transport Priorities

- Reduce Traffic Congestion
- Underground Investment
  - *increase reliability/frequency*
- Improving Bus Services
- Integration - National Rail
  - *metro rail services*
- Increasing Capacity
  - *cross-London rail links*
- Reducing car journey times
  - *increasing travel choice*
- Local Transport Initiatives
- Distribution of Goods/Services
- Improving Accessibility
- Integration Initiatives
  - *fares, interchanges, taxis*

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Transport *for* London

Deliverables of the Strategy

- Reduction of traffic by 15% in central London
- Control on traffic growth
  - zero in inner London
  - by one third in outer London
- Increase capacity of the bus system by 40%
- Increase capacity of Underground & rail by 40%
- Demonstrates the need for multi-modal competence

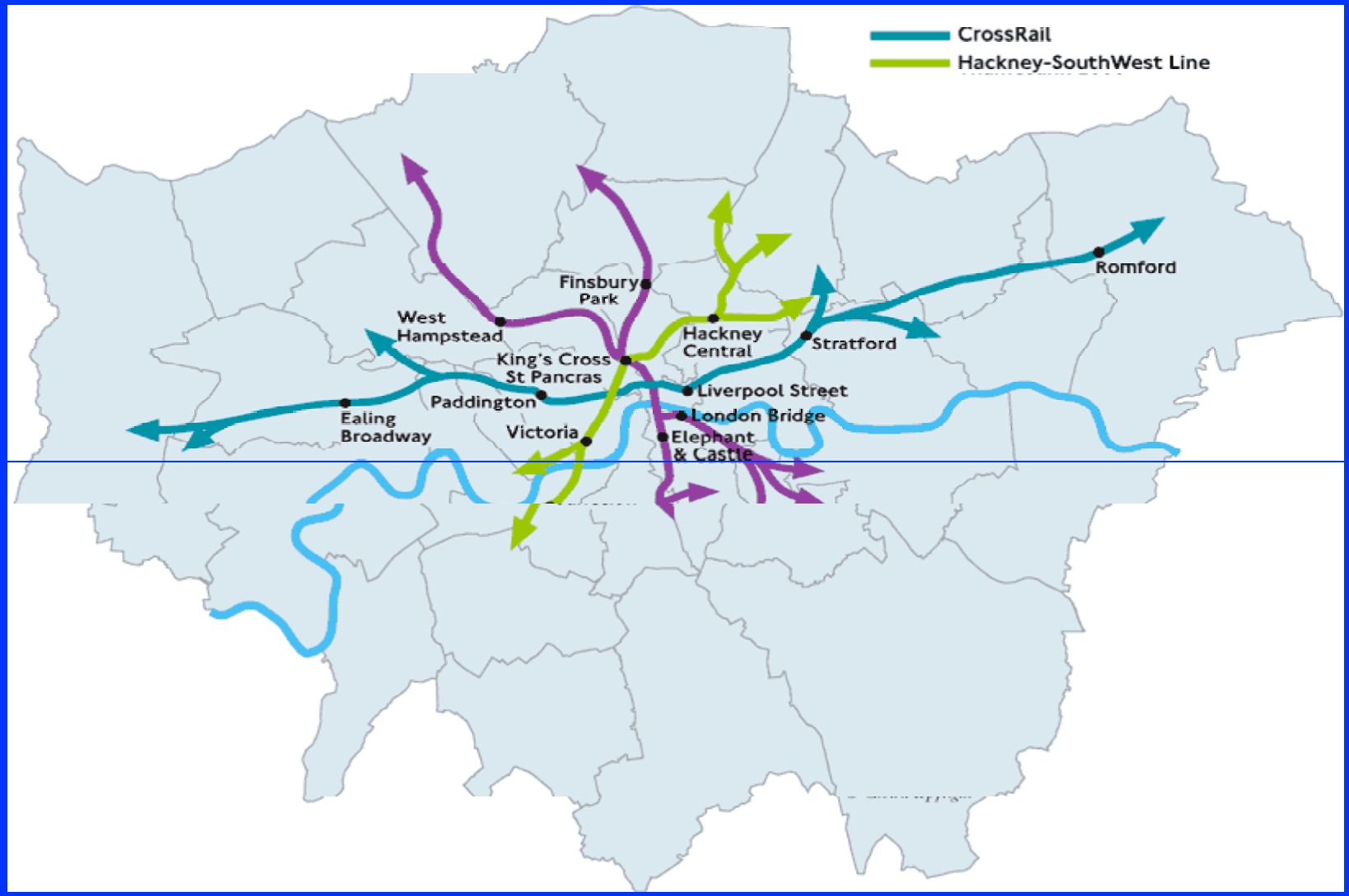
Transport *for* London

London's Major Rail Projects

- Crossrail
- Hackney - South West
- Orbirail/East London Line Extension
- Thameslink 2000

Transport *for* London

London's Major Rail Projects - Crossrail etc.



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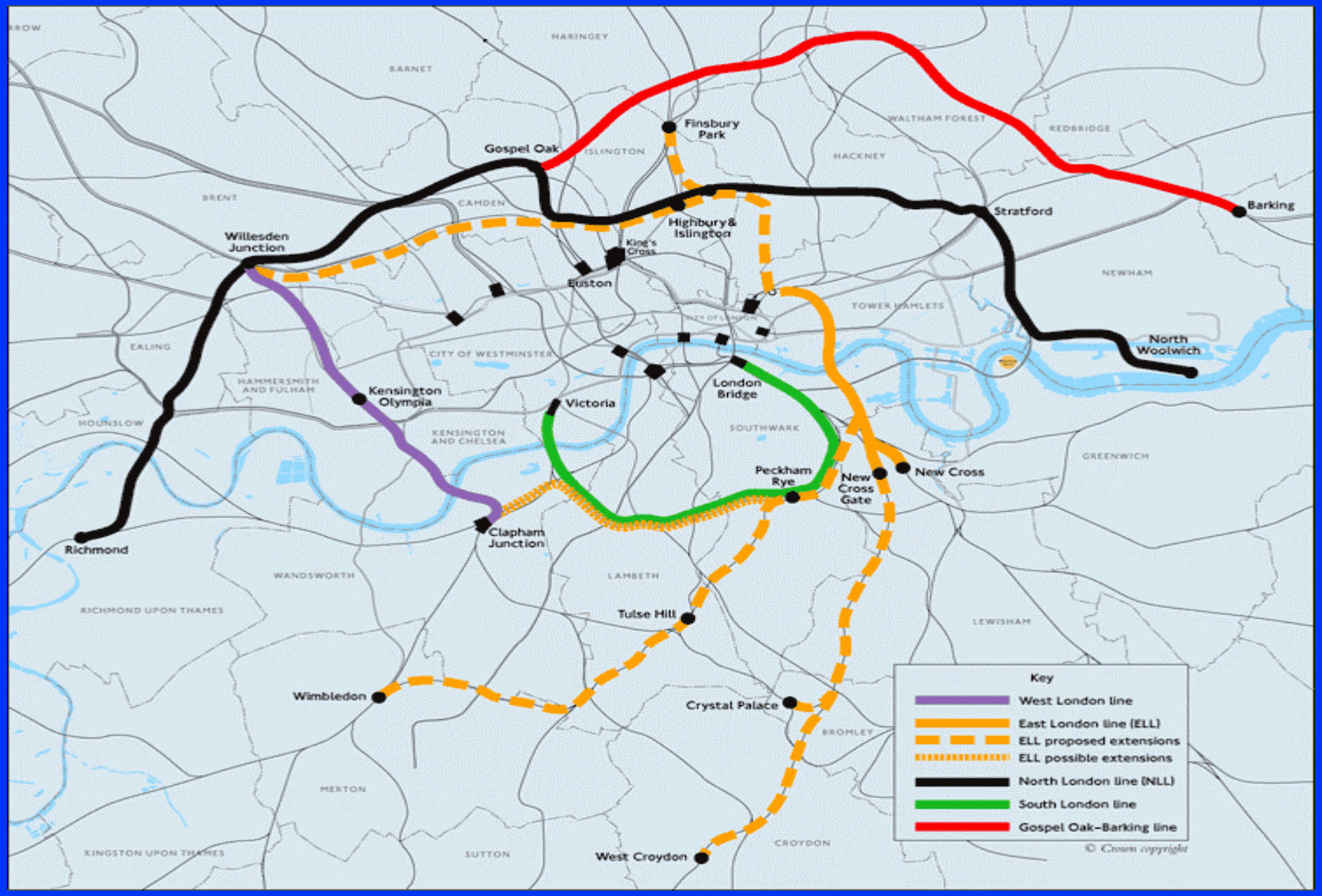
Transport *for* London

London's Major Rail Projects - Orbitals



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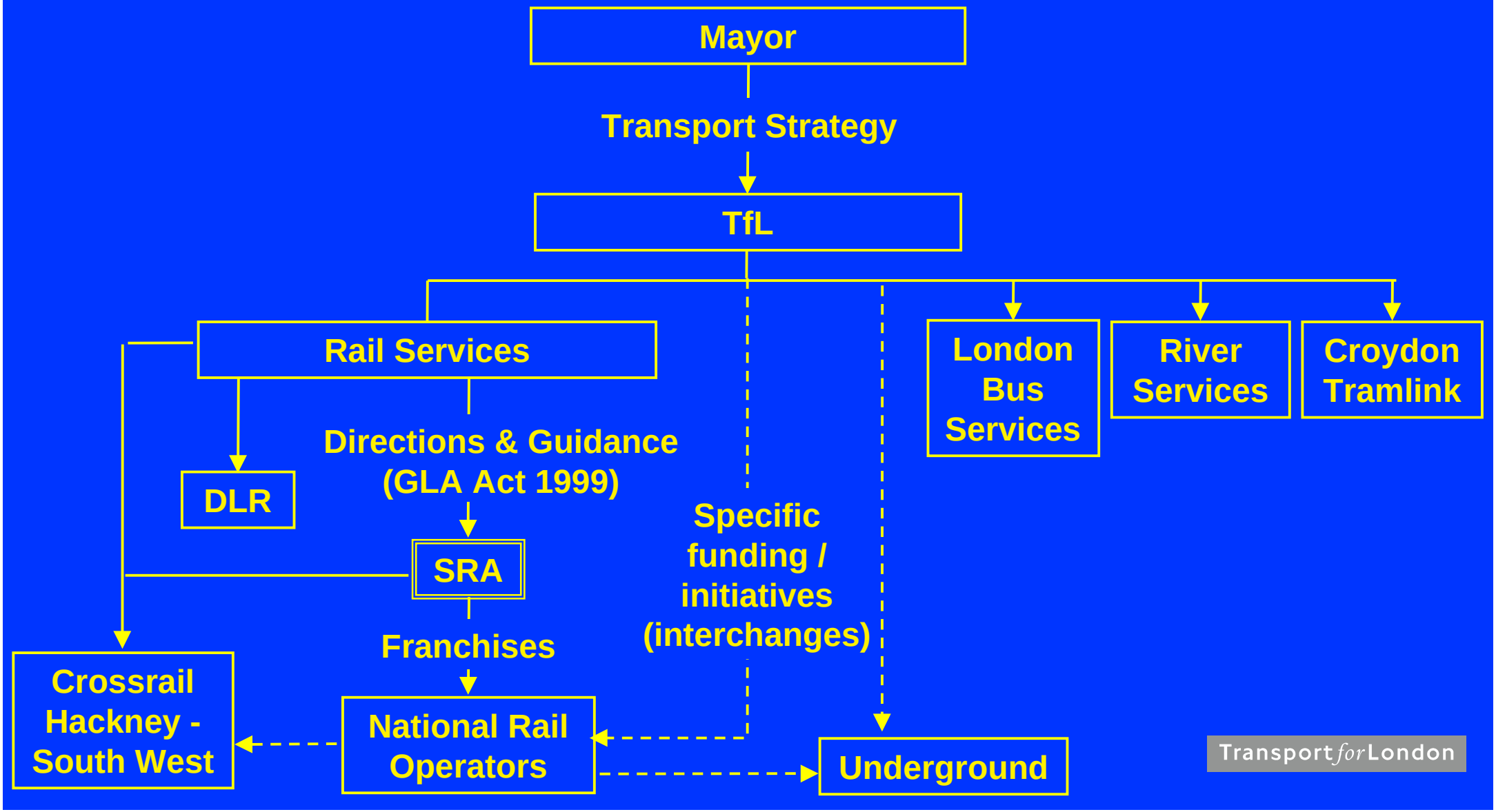
Transport *for* London

Delivering the Strategy - Rail

- Issues
  - Integration through multi-modal control
    - not assured in London on UK National Rail
- Due to:
  - delivery the product of numerous parties
  - Mayor's Directions (i.e. The Strategy) can be ignored by SRA

Administration of Public Transport in London

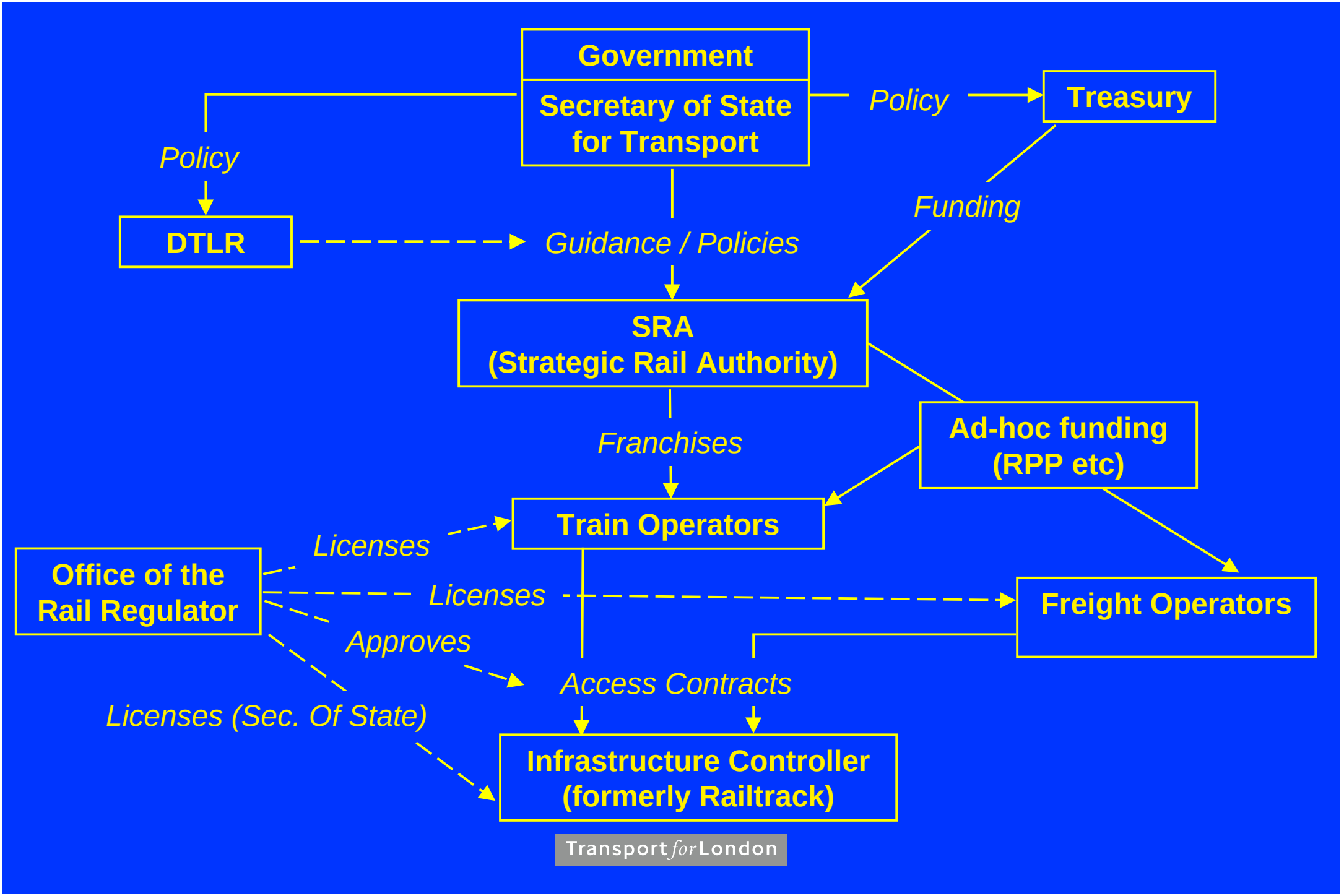


Transport for London

Transport *for* London

UK Rail - the main players

- SRA - National Rail Authority
- Infrastructure Controller (Railtrack)
- Train operators
- PTE's - Passenger Transport Executives
- TfL - London's Transport Authority
- But also
  - ORR - Rail Regulator
  - DTLR - Dept. of Transport
  - Treasury


Government
Secretary of State for Transport
Policy
Treasury
Policy
DTLR
Guidance / Policies
Funding
SRA (Strategic Rail Authority)
Franchises
Ad-hoc funding (RPP etc)
Train Operators
Licenses
Office of the Rail Regulator
Licenses
Freight Operators
Approves
Access Contracts
Licenses (Sec. Of State)
Infrastructure Controller (formerly Railtrack)
Transport for London

Transport *for* London

Rail - the UK framework

- Complexity in London accentuated by national picture
  - too many players?
- Serious problems with the UK structure
- Questions the ability to deliver a comprehensive London strategy

Transport *for* London

Review - Multi-Modal Competences?

- In Part:
  - Planning/Environmental
  - Borough Co-ordination
  - Transport (the Strategy)
    - especially for Underground/Bus/Light Rail
- Deficiencies
  - integration with National Rail
  - access to funding

Transport *for* London

London's Way Forward

- Focus on National Rail
  - Organisational change - Rail Services
  - Co-operation with SRA
  - Joint ventures on major projects
- Transit Authority
  - review European & USA Models
  - new legislation?

Transport *for* London

Conclusions

- Is TfL an effective multi-modal body?
  - partially there - through strategic planning etc.
  - but - problems in delivery
    - consistency and sources of funding
    - too many interfaces and controls
    - need for change
- Short term - must concentrate on extensive co-operation and effects of rail industry restructuring
- Long term - need for new legislation and new powers for TfL

A brief introduction to the Swedish Railway System

Some facts about Sweden

- Sparsely populated (8.8 million, 450,000 km^2)
- Long distances (a 2,150 km long train journey from North to South)
- Urbanised (83% urban population)
- Highly industrialised
- Too cold in the winter

The Swedish Transport Policy

1. Separated infrastructure
2. Equal treatment of roads and railways
3. Distinct distribution of responsibility
4. Deregulation - Competition

1. Separated infrastructure - *WHY?*

- Something had to be done
- Political-commercial separation to get an efficient decision-making process
- Similar treatment road-rail to get a level playing field
- Competition on the tracks to increase efficiency in operations

1. Separated infrastructure - *HOW?*

- 1988
- National Rail Administration (BV) plans and maintains infrastructure
- Appropriation financed
- Charges the traffic operators
- Rail Traffic Administration gives access

2. Equal treatment of rail and road

- Rail Administration/Road Administration
- Equal socio-economic considerations in prioritising investments
- Equal calculated infra structure charges/road taxes
- Socio-economic marginal costs - the burden to the society

3. Distinct distribution of responsibility

The Government
Local Authorities
Banverket (BV)

} Political considerations

Traffic operators

} Commercial considerations

Local Authorities

- A Public Transport Authority in every County by law
- Plans, procure and finance all public transport within the county
- Procurement in full competition
- Uses tax money to cover deficits (40 %)

Swedish State Railways

- A strictly commercial operator
- Management autonomy
- Freedom to decide on
  - tariffs and fares
  - where and when to operate trains
  - investments and loans
- Incorporated 2001

4. Deregulation - Competition

- Efficient use of the society's resources
- Busses and lorries are free to compete
- Partly open access to the tracks
- Procurement of non commercial passenger traffic by competitive tender

Access to the tracks

- Freight traffic: any licensed operator may operate
- Passenger traffic:
  - Regional traffic - Local PTAs
  - Long distance, non profitable - Central PTA
  - Long distance, profitable - SJ

The railway picture has changed

Monopoly	⇨	Open access
Detailed control	⇨	Managerial autonomy
Dual goals	⇨	Strictly commercial
Cross subsidises	⇨	Public procurement
Unequal terms	⇨	Equal terms
Own infra.	⇨	Charges for use
⇩		⇩
Unefficiency	⇨	***Competitiveness***

Experiences - Separated infrastructure

- Separation of politics from business
- Open access - new operators
- Neutral treatment of all operators
- Competition - efficiency
- Radical restructuring of SJ
- Competition in design and production introduced in Banverket

Experiences - Equal treatment

- Increased investments in the railway network
- Radically lowered infrastructure charges on the railways
- More railway passengers than ever
- Same freight volume

Experiences - CPTA

- Strong growth in traffic and passengers
- Competition has lowered the unit costs by 20-30%
- Lower degree of subsidy
- Higher degree of flexibility for the passengers
- Entrance of international operators
- Problems with profitability

Experiences - Deregulation

- New operators - new ideas
- Strong competition - high efficiency
- Radical restructuring of SJ
- Internationalisation

”The Swedish model”

- a Passenger Transport Authority (PTA) decides about all public transport within the county
- the PTA sets the standards and quality levels

- the PTA procures all services in competition
- companies compete internationally

the operator:

- plan and operate services of high quality in the district
- actively promote public transport
- local information and marketing
- lease and maintain rolling stock (railway services)
- own and renew his bus-fleet (bus

Main objectives

- Development of public transport
- More effective use of resources
- More effective

this is what we have done

- SL was restructured
- All operations are procured in international competition
- All subsidiaries have been outsourced
- Continuous adjustment of organisation, responsibilities and roles

procurement philosohy of SL

- customer always in focus
- reliable services
- staff is a strategic resource
- procurement of functions
- objectivity and neutrality in tendering

staff

- transfer of employment according to law
- don´t lower the salaries
- programs/tests against misuse of drugs
- education
- security of employment

price has been reduced
by 25 %

and
services expanded
by 18%

1989-1999:

cutting cost

”**achieved**”

”ongoing”

1999-

customer in focus

SL experience 1

- Gross contracts with quality fines have given much lower prices but low interest in quality and customer-needs

- The operators show too little interest in quality management
- The industry is global

SL, the new way 1

- Set focus on the customers
  - more passengers should give profit to the operator
  - as should better quality to customers
  - quality management and organisation are the most important factors when evaluating

SL, the new way 2

- Give responsibility to the front staff
  - clear roles and responsibilities
  - support high competence
  - give room for local initiatives

SL, the new way 3

- Don´t procure if it isn´t necessary
- Develop long-term business relationships
- Develop existing contracts

new incentive contracts

- More passengers
- Better quality
- Revenue protection

» **to support the development in favour of SL long term objectives**

Competition has brought advantages to customers

- extended services
- better quality
- more customers
- lower price
- more value for taxation monev

Carmen SANZ
Head of Marketing Department
Consorcio de Transportes de Madrid

SHOULD THE PUBLIC TRANSPORT AUTHORITIES BE RESPONSIBLE FOR MARKETING AND INFORMATION?

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Plaza del Descubridor Diego de Ordas 3
28003 Madrid
Spain

SHOULD THE PUBLIC TRANSPORT AUTHORITIES BE RESPONSIBLE FOR MARKETING AND INFORMATION?

The following report is intended to point out in summary form the aspects which relate the role of the Transport Authorities to the functions carried out by marketing, and information as a part of the same, in public transports. At the same time, we shall give the vision that the Madrid Transport Consortium has of them and the activities they carry out in this sense.

THE RELATIONSHIP BETWEEN MARKETING AND PUBLIC TRANSPORT

The companies which operate in the public transport sector are increasingly supported by the techniques provided by marketing. The aims these companies are trying to achieve through the commercial strategies can be summed up as:

- increasing the number of users
- increasing the rate of use per user
- increasing the period of use of the service among users (on holidays, low periods, etc.)

In short, it is about trying to achieve the formula "MORE CLIENTS, MORE OFTEN, FOR LONGER TIME", that is, INCREASING AND PROMOTING THE USE OF PUBLIC TRANSPORT, which, without doubt, coincides with the commitment taken on by the Transport Authorities.

What are the classic foundations on which marketing is based?

- THE PRODUCT
- THE PRICE
- THE DISTRIBUTION
- THE COMMUNICATION

We are going to take a brief look at each one of these points in order to comment on the role of Transport Authorities in general, and specify the vision and actions carried out by the Madrid Transport Consortium in this sense.

THE PRODUCT

> In my opinion, to talk today about product in public transports is to talk in terms of product QUALITY. Those of us responsible for transport policy are not unaware that the demand for public transport an elastic model of behaviour to certain parameters which define the quality of the service. Our product has to pass a daily examination by the habitual users of the system, whose LOYALTY is or main support, at the same time as their SATISFACTION depends to a large extent on the spreading of our action and the extension in the use of our services to new users.

The Transport Authorities have general responsibilities over:

- planning the services
- Establishing coordinated operation programmes between the different operators
- Making sure these are met

At the Madrid Transport Consortium these responsibilities are exercised over a network where the following companies operate:

- MADRID METRO, with 171 kilometres of network and 201 stations.
- MUNICIPAL TRANSPORT COMPANY OF MADRID, with 184 lines and 1800 buses.
- 38 private Inter-urban transport operators, who run 340 bus lines, with 1400 vehicles.
- RENFE-LOCAL TRAIN, a state owned company which renders rail services in the Community, 285 kilometres of network and 80 stations.

Within this framework of indubitable complexity, stemming from the diversity of operators, the existence of a Transport Authority, in this case the Madrid Consortium, must guarantee, from the point of view of the technical characteristics of the product offered, the following aspects:

- The coverage of the service throughout the geographic area, independently from the strict economic profitability.
- Homogeneity of the service level by transport zones
- Connection between the operators in order to facilitate transfers
- The fulfilment of the offer programmed

Carrying out these tasks means using a series of techniques or instruments which market research places at our disposal. A quick look at the tools which we can apply in this sense would give us the following sections:

- **Quantative mobility studies**, with all the diversity of research which we can group under this generic name, and whose use depends on the specific responsibilities of each Authority. Through these we can establish the lines of mobility wishes, as well as calibrate the degree of suitability of the public service offer on the map of movements made, detect latent or unsatisfied demands, etc.

- **Qualitative market studies**, which investigate the motivation of real and potential users, segment the market into different profiles with regard to the position they adopt to the public transport system and, consequently, constitute a an enormously useful source for designing image campaigns and communication strategies.

- **Opinion studies about perceived quality**, which have the basic aim of obtaining the users' evaluation of the quality of the service offered. If studies of this kind are carried out directly by the operators on many occasions it does not stop, in fact quite to the contrary, it should encourage the Transport Authorities, in their role as supervisors, to carry out their own research in this sense, thus guaranteeing a homogenous and objective treatment of the different modes of transport in the system.

The Transport Consortium carries out an annual follow-up which, like a satisfaction barometer of the clients, measures the evolution of the quality levels perceived by the users in a series of attributes of the service previously defined in qualitative studies. A total of 20 indicators are considered which group together the following five quality sectors:

- aspects related to the functionality of the service (waiting time, regularity, etc).
- aspects related to comfort (space available, interior temperature, etc.)
- behaviour of the staff (friendliness, gentleness of driving, etc.)
- aspects relating to the service infrastructure (coverage of the network, degree of transferability, state of the stations and rolling stock, access to information)
- safety of the installations and service in general

During the interview, the passenger gives his opinion, not only through the points he awards each indicator, but also by the importance he gives to each one of them for the best rendering of the service. This last evaluation acts as "expected quality" by the user, so that the comparison of the "gap" or difference between the perceived quality and the expected quality provides more useful information about the users' opinions.

The Transport Authorities can also incorporate the results of this research into the contractual relationships which we establish with the operators, by, for instance, introducing incentives to management based on the control of complaints made by passengers, penalizations for decreases in quality levels, etc.

THE PRICE

One of the responsibilities which we at the Transport Authorities take on in general terms is the system's price policy.

Pricing is without doubt an essential reference point in the market strategy of all companies in all economic sectors, and the Authorities here have an element of major importance for affecting the demand.

In this context, I would pose a question to the auditorium for later debate which I believe to a large extent situates the initial question which is the object of this paper:
Is it possible to separate exercising responsibility in price definition for the products from marketing action in the wide sense?

At the Transport Consortium of Madrid we understand that exercising the functions which the law grants us, relating to holding multimode transport tickets, as well as distributing the income collected from them among the different operators, necessarily means that we intervene directly in the distribution, promotion and follow-up of their use.

The Transport Consortium of Madrid, shortly after its creation, implanted the personal multimode transport ticket which was destined to become the nucleus of the price policy

in the transport system in the Community of Madrid. The "Abono de Transportes" is today, with nearly one and a half million users in its different modes, much more than a transport ticket, it is a membership card of a large club, a symbol of citizenship. The Transport Consortium, through the direct management of the database of the card holders, carries out research destined to determine the real use of the ticket, essential information for defining the pricing policy and for carrying out campaigns directed towards specific collectives.

One aspect which we must not forget in order to raise the social consideration of public transport is the fight against fraud. Its decrease means a certain complicity, if you will allow me to use the expression, between the company and the client. At the Transport Consortium we understand that it is necessary to coordinate the Inspection plans of the different operators and make sure they are met, as well as directly studying the attitudes of users to this problem.

THE DISTRIBUTION

Efficient distribution of our product means transparency towards the client of information about the availability of modes of transport, in time and in space.

The evidence of the accessibility of a large part of the strategic points of the network, like metro stations, large interchanges, etc., we must not forget that access to information is a particularly vulnerable aspect of our management. The role of new technology is a determining factor in this respect. Without doubt, the operators themselves here should play a significant role, as they constitute the first and direct connection between the service and the client, but, our mission as Transport Authority at least consists of watching over the operators' individual initiatives and ensuring their fulfilment. Pooling efforts in this sense is not a waste.

The Transport Consortium of Madrid intervenes in different ways in the management of information on transport services:

- ✍ It directly manages the incidences related to the commercialisation of personal tickets or transport cards.
- ✍ It directly provides information to the user, by means of the installation and maintenance of the TRANSPORT INFORMATION SYSTEM (SIT), and by publishing its own informative publications.
- ✍ It finances the installation of diverse SYSTEMS FOR HELPING RUNNING, controlling fleets and bus location which informs the users in real time about waiting time aboard or in the network and other incidences in the service.

One initiative recently carried out by Madrid Metro consists off installing a general information system by television in the main stations in the network –Metro Channel Madrid-, which is used as a way of communicating news of general interest, institutional information and information in real time about those incidences which have an effect on the whole network.

In the same line of permanent approximation of information to the user, Madrid Metro is building an Interactive Information Centre for the Client, which can be accessed on the Internet, and by mobile phone, and which will provide information about all the parameters of the service, as well as access to a certain destination.

THE COMMUNICATION

Communicating the benefits of a product is a key element in any commercial strategy, which must have a double objective:

? To achieve the loyalty and gratification of the habitual users of the system
? To attract new clients

To achieve these goals it is necessary to combine promotional campaigns of specific products suitably, in which normally information and promotion are mixed in a single message, with mixed image and promotion campaigns, in which in general the aim is to promote the use of public transport. Therefore, the transport Consortium also promoted integration through the creation of a single image for Inter.-urban operators, thus multiplying the demonstration-effect of price integration.

From a promotional point of view, the initiatives can be interminable, only limited by the resources available and our own creative imagination. I will quote several examples which we have carried out in Madrid.

So, by combing educational with promotional work, the Consortium carried out a series of campaigns directed towards schoolchildren between the ages of eight and eleven years old, destined to provide the formation of a new mentality with regard to the problem of transport in urban areas, so that their future choices will be made in a more civic, rational way and with more solidarity.

Another action in this sense consists of the collaboration established with the Ministry of culture and the operators in order to promote reading, and consists of using the vehicles as a support for messages based on the diffusion of short texts extracted from literary works, thus associating the idea of taking advantage of your journey time and linking it to the possibility of carrying out a pleasing activity like reading.

It is also usual to take advantage of events or special dates, like service inaugurations, Christmas period, etc., to link informative messages with promotional action.

I shall mention the last initiative of an institutional nature carried out in general by the Community of Madrid, the SERVICE LETTERS, which include the commitments taken on by the Administration and which at the Consortium have included the implantation of a SUGGESTION AND CLAIMS SYSTEM through which the citizens can send their initiatives about the services offered, and an answer is given in no longer than fifteen days.

CONCLUSION

The aim of the talk has been to show the need our organisations have for a whole series of tools which are usually considered under the general concept of market research and market promotion. The role of Transport Authorities is clearly placed in this sense in what the European Council has been calling **social responsibility and social marketing**. At the Transport Consortium we understand that it is necessary to get involved in commercial action dedicated to promoting the use of collective transport, in order to contribute to objectives of a more general nature taken on by all public powers, like the protection of the environment, and in short the search for sustainable development.

Session 4: What are the responsibilities for the public transport organising authorities in European cities?

The distribution of tasks between the public authorities and operating companies of the networks varies from one city to another. Also, some transport organising authorities enjoy prerogatives which surpass the area of public transport and include mobility in general and some times even town planning.

The paper by Richard Wallace, in charge of Transport for London (TfL), the public transport organising authority of Greater London, of relations with the national rail network, presents the scope of TfL's responsibilities, which range from the application of urban tolls to the metro and bus networks, passing through water transport, management of traffic lights and the organisation of taxis. Only heavy rail transport is outside the multi-mode responsibility of TfL, which has to cooperate in this matter with the national agency in charge of granting licences to operating companies (SRA).

The presentation by Johannes Sloth, director of transport of HUR, the authority of Greater Copenhagen, describes the organisation and missions of this authority which is also responsible both for public transport in this Danish city, as well as urban planning. The planning of transports is coherent, in this way, with the urban development projects.

The presentation by Björn Dalborg, senior member of AB Storstockholms Lokaltrafik, the public transport network organising authority of the city of Stockholm, insists more especially in the integration of rail services at the hub of the responsibilities of the transport organising authorities on a local level. In fact, the rail reform in Sweden had the aim of distinguishing the policy responsibilities, which are shard between the central government for long distance connections, the local authorities for regional and metropolitan connections and BV for managing the infrastructure on the one hand and operational responsibility which is in the hands of the operating companies chosen after being placed in competition, on the other.

The speech by Carmen Sanz, responsible for the marketing department of the Transport Consortium of Madrid (CTM), shows the importance for the organising authority of controlling the marketing of the public transport network and, thus ensuring that the quality of the services satisfies the clients, whose trust must be gained. In Madrid, CTM covers the whole marketing problem (4 P of the mix-marketing), from the definition of the product supplied to the communication, passing through the price and distribution (accessibility of the services).

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WHAT PUBLIC TRANSPORT AUTHORITIES FOR THE EUROPEAN METROPOLITAN AREAS ?

Local Authority Grants

Barcelona, 8th November 2001

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Index

1. Geographical scope

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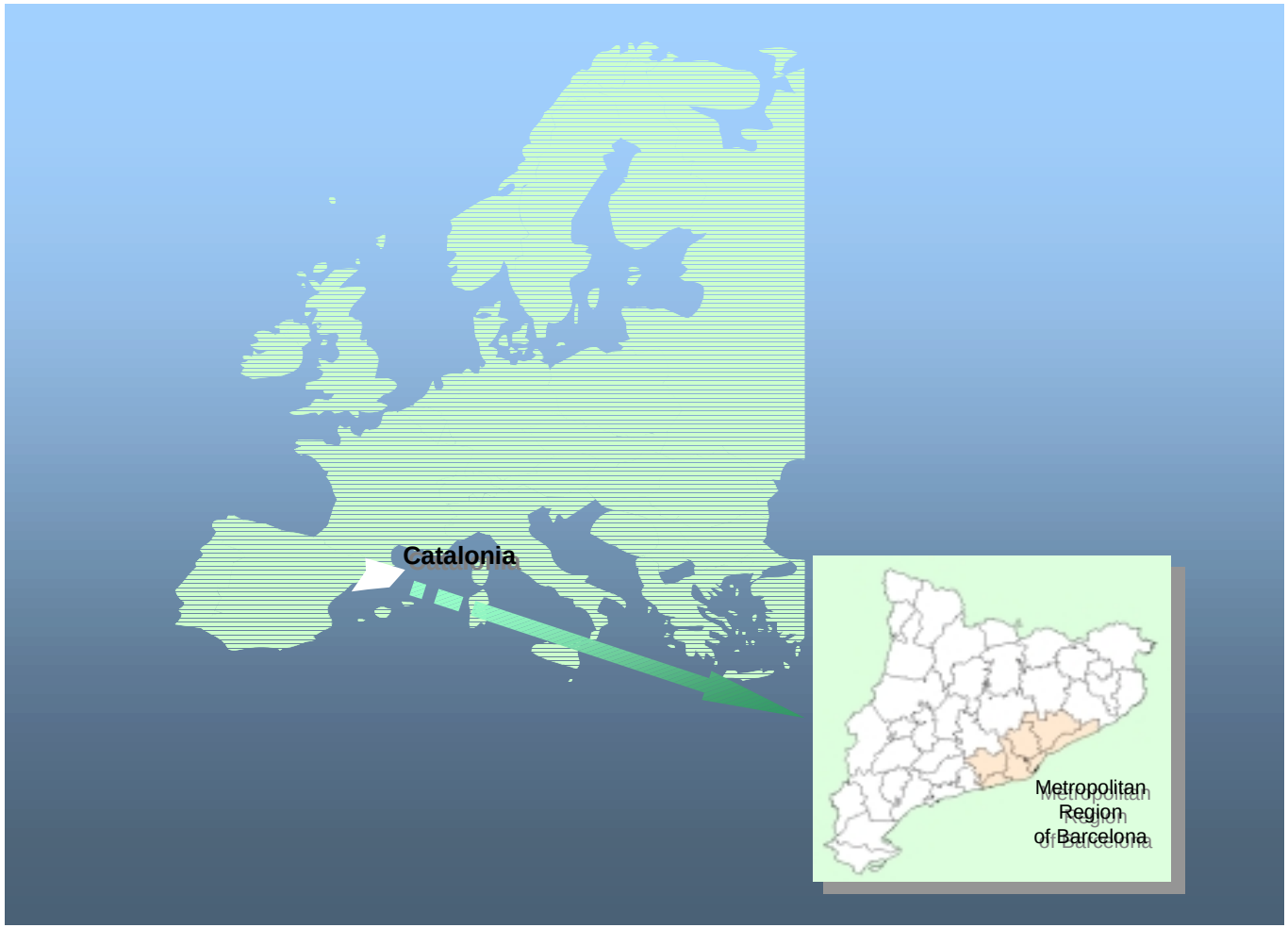
Metropolitan Region of Barcelona (RMB)



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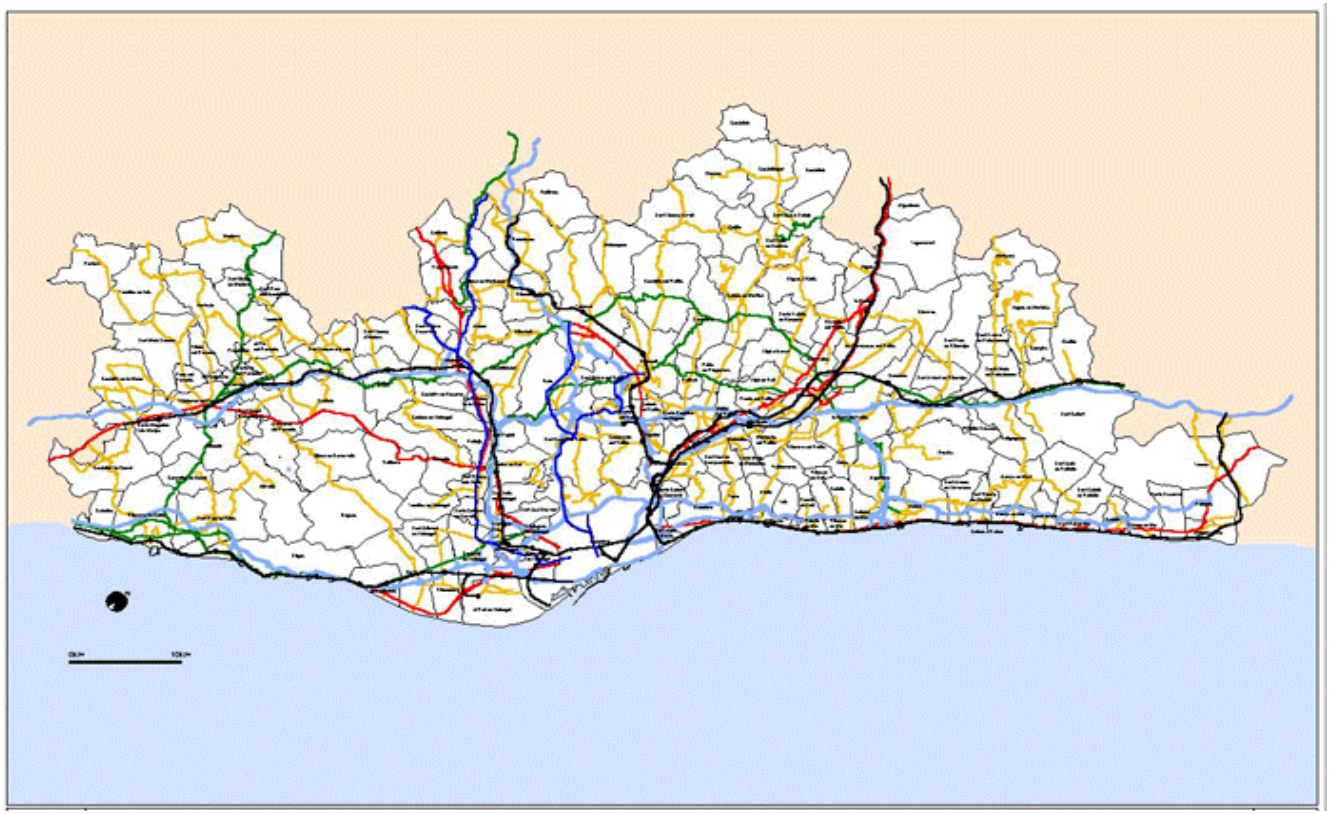
Geographical scope

Metropolitan Region of Barcelona: 164 municipalities, with an extension of 3,200 km^2 and a population of over 4.3 million inhabitants (Year 2000).



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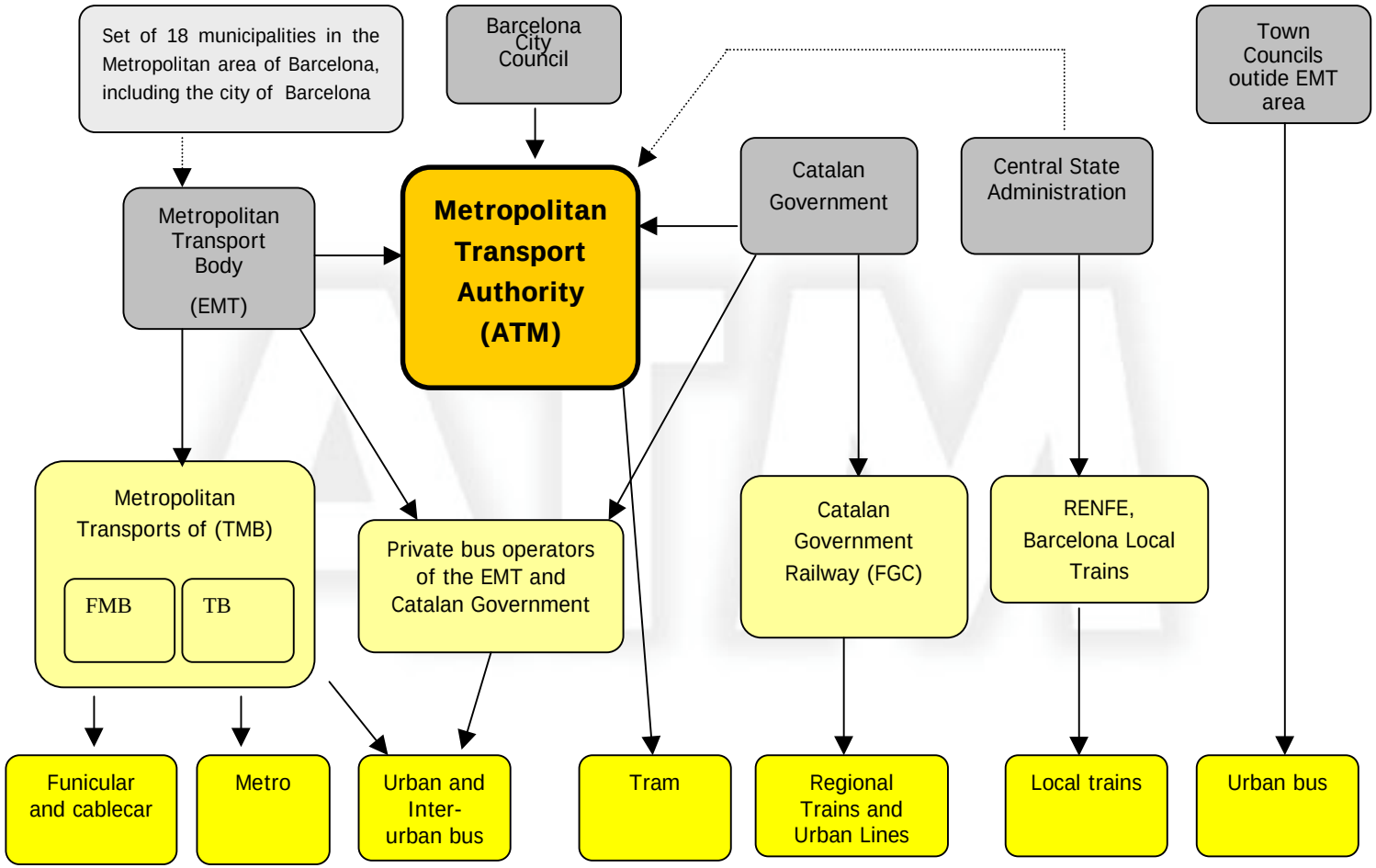
2. Structure of the Metropolitan collective public transport system

Organisational structure of the Metropolitan collective public transport system

- ✓ The SMTPC contains **different modes** of transport:
  - ✓ Suburban railway.
  - ✓ Metro.
  - ✓ Urban bus.
  - ✓ Inter-urban bus.

- ✓ The **responsibilities** in public transport are divided among different administrations:
  - ✓ Catalan Government.
  - ✓ Barcelona City Council.
  - ✓ Metropolitan Transport Body.
  - ✓ General State Administration.
  - ✓ Metropolitan Transport Authority.

Organisational diagram of the SMTPC



Catalan Government

- **Inter-urban surface transport (bus).**
  - Indirect risk and venture management concessions of the Catalan Government to private bus operators.

- **Rail transport.**
  - The Catalan Government owns the company “Ferrocarrils de la Generalitat de Catalunya” (Catalan Government Railway).
  - The new Barcelona Metro and FGC infrastucture belong to the autonomous government.

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Metropolitan Transport Body

- ✓ This is the administration which manages, orders and plans the public transport service which runs wholly through its area.
- ✓ It is the owner of TMB (public transport operator in the city of Barcelona).
- ✓ It establishes indirect management contracts with the private surface operators in its area (18 municipalities around Barcelona).

General State Administration

- ✓ The State is the owner of Renfe Local Trains (both of the operation as well as the infrastructure).

ATM, a single administration for a single system.

- ✓ The Metropolitan Transport Authority (ATM) is a **intra-administrative consortium** of a voluntary nature, created on the 19th March 1997, which all the administrations owning public collective transport services in the Metropolitan area of Barcelona can join.

- ✓ Its aim is to **articulated cooperation** between the public administrations owning the services and infrastructures of **public collective transport** in the area of Barcelona which they form part of, as well as collaboration with those which, like the State Administration, are financially committed or holders of their own services.

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Composition of the ATM and governing organs

- ✓ Catalan Government: 51%.
- ✓ Barcelona City Council: 25%.
- ✓ Metropolitan Transport Body (EMT, 18 municipalities): 24%.
- ✓ General State Administration: it is not an administration in the consortium,, but it is represented on the Board of Administration and the Executive Committee as a observer.
- ✓ Presidency: Councillor for Territorial Policy and Public Works of the Catalan Government.
- ✓ Vice-presidencies: Deputy Mayor of the City Council of Barcelona and the Chairman of the EMT.
- ✓ Governing bodies: Board of Administration, Executive Committee, Different Commissions (Technical, Economic and Juridical) and Operators and Users Association.
- ✓ Staff: 32 people (November 2001).
- ✓ Budget 2001: 491 Million Euros.

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Funtions

- ✓ Planning of the infrastructures (PDI 2001-2010)
- ✓ Planning and Coordination of the services offered by operators (pubic and private) (Plan of Services)
- ✓ Achieving agreements on financing with the public administrations. Financing Agreements 1998-2001
- ✓ Achieving Contract-Programmes and Agreements with the companies who render the services.Contract-Programmes 1999-2001
- ✓ Drawing up and approving a common pricing framework.Integrated price card
- ✓ The holder of price income from combined tickets. Integrated price system
- ✓ Advertising, information and relations with the users.
- ✓ The definition and promotion of the corporative image of the system.

3. Public Transport Operators

Main public transport operators

- ✓ **Metropolitan Transports of Barcelona (TMB). Metro and Urban bus in Barcelona**

  These are two public companies, Ferrocarril Metropolità de Barcelona (FMB) and Transports de Barcelona (TB), they are owned by the EMT**.**

- ✓ **Catalan Government Railway (Regional Train).**

  A public railway company in the area of the Autonomous Community of Catalonia, it is owned by the Catalan Government.

- ✓ **Renfe (Local Train).**

  A public railway company of national scope, owned by the Central Government.

- ✓ **Bus lines under the EMT**

  The EMT is the owner of the Indirect Management services carried out by the surface transport companies in its area of action. The exploitation regime is by concession (risk and venture) or by Interested management Contracts. Some of the companies are: Mohn, TUSGSAL, Authosa, Oliveras, etc...

- ✓ **Bus lines under the DGPT (Catalan Government)**

  The Department of Territorial Policy of the Catalan Government grants the concession (risk and venture) of the inter-urban surface transport companies in the area of the whole Community. Some of the companies are: Sagalés, Casas, Soler i Sauret, SARBUS, etc...

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Statistics and geographical scope

Basic data. Year 2000

	Lines	Lenght of Network (Kms)	Vehicles-Km (Millions)	Journeys (Millions)	Δ 2000 / 1999 (%)	Collection (MPTA)	Collection (M Euros)
FMB (metro)	5	81,2	58,4	294,1	2,5%	20.194,5	121,37
FGC (Central Area)	2	48,5	17,9	47,9	7,0%	3.508,1	21,08
Rodalies Renfe (Central Area)	4	109,7	24,3	40,0	5,4%	4.336,3	26,06
TB (Urban Buses)	89	784,2	37,1	203,3	0,6%	13.688,6	82,27
Buses EMT (1)	68	848,3	19,3	46,0	5,6%	4.489,4	26,98
Buses Catalan Government	38	523,5	5,1	7,6	4,1%	1.086,7	6,53
Total Central Area		**2.395**	**162,1**	**638,8**	**2,7%**	**47.303,7**	**284,30**
Buses Catalan Government	141	2.873,6	13,0	12,8	8,2%	2.563,8	15,41
Resta FGC	2	95,2	8,8	12,9	3,4%	2.985,5	17,94
Rodalies Renfe	4	307,0	31,5	55,2	5,3%	8.905,4	53,52
Other urban Buses	72	521,0	8,6	28,8	2,3%	2.148,6	12,91
Total rest of the Metropolitan Area		**3.797**	**61,9**	**109,7**	**4,6%**	**16.603,3**	**99,79**
TOTAL RMB		**6.192**	**224,0**	**748,5**	**2,9%**	**63.907,0**	**384,09**

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Statistics and geographical scope

Basic Data. First half 2001

	Lines	Lenght of Network (Kms)	Vehicles-km (Millions)	Journeys (Millions)	Δ 1st. Half 01 / 1st Half 00 (%)	Collection (MPTA)	Collection (M. Euros)
FMB (metro)	5	81,2	30,0	157,8	4,2%	11.588,0	69,65
FGC (1ª Zone)	2	48,5	5,8	20,0	-	1.126,4	6,77
Rodalies Renfe (1ª Zone)	4	109,7	6,9	10,5	-	644,7	3,87
TB (urban buses)	92	797,1	19,6	97,2	5,5%	6.850,7	41,17
Buses EMT	67	848,3	9,7	24,4	3,6%	1.762,0	10,59
Total 1ª Zone		**1.885**	**72,0**	**309,8**	**-**	**21.971,7**	**132,1**
Buses Catalan Government	179	3.397,1	12,6	11,3	5,2%	1.935,6	11,63
FGC (Rest)	2	95,2	8,0	13,5	-	2.074,3	12,47
Rodalies Renfe (Rest)	4	307,0	22,4	41,8	-	6.518,9	39,18
Other urban buses	72	521,0	4,4	15,7	5,2%	1.180,1	7,09
Total Rest		**4.320**	**47,4**	**82,3**	**-**	**11.708,9**	**70,4**
TOTAL Integrated System		**6.205**	**119,4**	**392,1**	**6,1%**	**33.680,6**	**202,4**

Dades provisionals i/o estimades

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4. Financing the system

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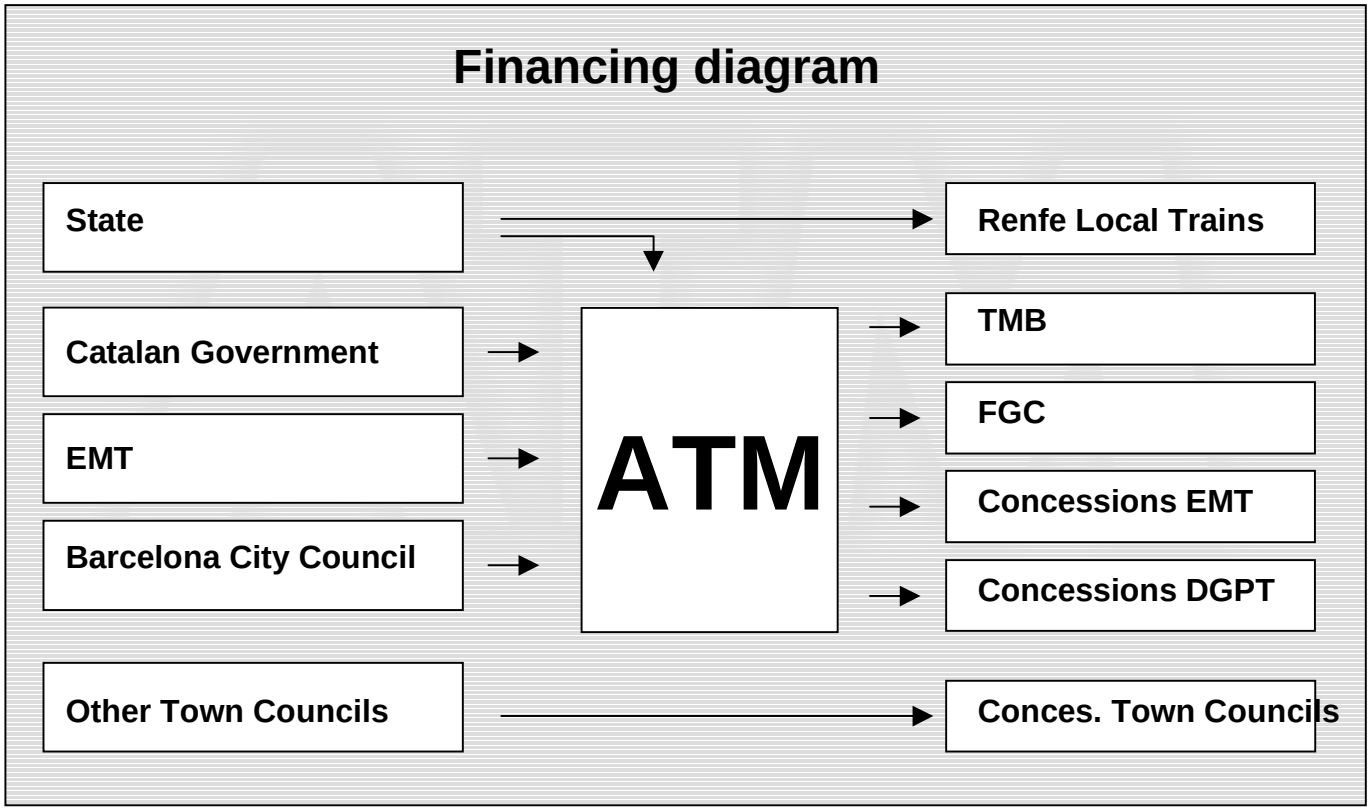
4.1 Financing the exploitation

The financial role of ATM

The ATM acts as the central finance axis of the system.



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Financing instruments

- ✓ Contract-Programme between the State and the ATM.
- ✓ Financing Agreement between the ATM and the Local Administrations (Catalan Government, City Council of Barcelona and EMT).

Relation instruments with the operators

- ✓ Contract-Programme between the ATM and Public Op. (TMB and FGC).
- ✓ Contract-Programme between the State and Renfe
- ✓ Interested Management Contracts and risk and venture concessions between the different private bus operators and the EMT and the Catalan Government.

Contract Programme AGE-ATM and Financing Agreement ATM-Ad. Consortiums 1999-2001

- ✓ This regulates the reciprocal relations between the ATM and the rest of the Administrations as regards the financing of the metropolitan collective public transport system.

- ✓ Aims:
  - ✓ “The definition of a stable financing framework for the companies, compatible with the budget scenarios of the Administrations involved”.
  - ✓ “The financial health and improvement of the companies’ results”.

Contract Programmes ATM-Public operators (TMB and FGC)

- The aims of the C-P are defined referring to the offer, quality of service, impulse towards the integration of the system (pricing and communications and image), increase in demand, financial health and complement for coverage coefficient.

- Commitments:
  - **Of the ATM:** to make the economic contributions, carry out the follow-up and control of the services produced and develop programmes and actions relating to the functions that have been assigned to it.
  - **Of the operator:** they refer to offer, rolling stock, installations, quality of service, management and finance, tickets and increase in demand (see tables).

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Needs of the system, period 1999-2001 (Millions of Euros)

	1998	1999	2000	2001	TOTAL
TMB	149,87	175,04	187,89	168,10	680,90
FGC	69,65	71,27	72,30	73,76	286,97
Buses	0	12,62	23,83	24,44	60,89
Indirect Management					
TOTAL	**219,52**	**258,93**	**284,02**	**266,30**	**1.028,77**

	1998	1999	2000	2001	TOTAL
Deficits	69,84	93,68	85,74	80,21	329,47
Investments	73,17	99,19	126,80	114,72	413,87
Financial expenses	41,79	33,03	31,12	28,95	134,89
Debt depr.	34,70	33,04	40,36	42,42	150,53
TOTAL	**219,51**	**258,95**	**284,02**	**266,30**	**1.028,77**

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Contributions from the different Administrations

- **Metro and Bus Network (TMB)**
  - The State finances 45% of the operative losses
  - The Catalan Government, City Council of Barcelona and the EMT finance the remaining 55% (51%, 25% and 24% respectively)

- **Catalan Government Railway (FGC)**
  - The State finances 45% of the operative losses
  - The Catalan Government finances the remaining 55% of the operative losses (except in the years 2000 or 2001 when the City Council of Barcelona and the EMT will begin to participate, financing 20% of the losses originating in the urban area of Barcelona).

- **RENFE Local Train**
  - The State finances 100% of the operative losses.

Contributions from the different Administrations

- **Bus lines under the EMT**
  - The Interested Management Contracts fix the subsidies paid by the EMT as the difference between Costs and Exploitation Income.

- **Bus lines under the Catalan Government**
  - The risk and venture contracts do not include subsidies for the exploitation deficits. Contributions are only considered for “required services” and for maintenance of frequency.

- For the first time, the C-P and the C-F between the ATM and the different Administrations includes contributions to finance exploitation deficits, putting new lines into service, and compensations for suitability of the pricing system valued at 42.8 Million Euros. The contribution percentages are 45% State and the rest each one of the owning Administrations (Catalan Government and EMT).

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Contributions from the different Administrations, 1999-2001 period (Millions of Euros)

	Contribution 1998-2001	Average contribution 1998-2001	Percentage
Catalan Government	391,43	97,85	38,0%
General State Administration	383,90	95,97	37,3%
City Council of Barcelona	177,96	44,49	17,3%
Metropolitan Transport Body	75,45	18,86	7,3%
TOTAL	**1.028,74**	**257,17**	**100%**

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Commitments of the operators and investment of indirect management operators, 1999-2001

	1999	2000	2001
Coverage coefficient			
TMB	76,0%	77,5%	79,6%
FGC	67,7%	70,4%	71,3%
Debt (Millions of Euros)			
TMB	622,4	591,7	558,9
FGC	106,5	80,0	43,1

PROGRAMME	Millions Euros
1. Renovation fleet of buses	12,02
2. Re-structuring of lines	42,80
New lines	
Adaptation pricing system	
Compensation to exploitation	
3. Improvement in quality	6,07
Quality systems	
Communication	
Exploitation Aid System	
Total	60,89

4.2 Financing the investments

Infrastructures Transport Plan 2001-2010

- ✓ The Board of Administration of the ATM at the session of 14th May 2001, initially approved the Plan Directing Infrastructures 2001-2010 and agreed to submit it to public information.

- ✓ The Infrastructures Transport Plan 2001-2010 (PDI) integrates all the investments in public transport infrastructures over the next 10 years in the metropolitan area of Barcelona, independently of who the operator of owning administration may be.

- ✓ The total investment envisaged is 5,742 million Euros, which is discounted in the following sections:

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Infrastructures Transport Plan 2001-2010

		INVERSIÓ (M€)	LONGITUD (km)	TRENS	ESTACIONS
Programa d'Ampliació de Xarxa		**3.156,64**	**105,9**	**94**	**144**
	Actuacions Metro i FGC	**1.284,99**	**31,7**	**54**	**33**
AX01	Metro L1 Perllongament Feixa Llarga - El Prat Pl. Catalunya	132,28	3,5	5	3
AX02	Metro L1 Perllongament Fondo - Badalona Centre	128,86	3,4	5	4
AX03	Metro L2 Connexió Sant Antoni - Fira Montjuïc 2	146,89	4,0	5	3
AX04	Metro L2 Perllongament Pep Ventura - Badalona C - Cassagemes - Morera	120,20	3,5	4	3
AX05	Metro L3 Perllongament Canyelles - Roquetes - Trinitat Nova	81,14	1,5	2	2
AX06	Metro L4 Perllongament La Pau - Sagrera TAV	80,11	2,7		2
AX07	Metro L5 Perllongament Horta - Vall d'Hebron	134,03	2,5	3	3
AX13	FGC Perllongament Pl. Espanya - Pl. Francesc Macià - Gràcia/Provença	159,63	3,8	3	4
AX14	FGC Perllongament Terrassa Rambla - Can Roca	143,04	3,9	3	3
AX16	FGC Aeri Olesa - Esparreguera *(en estudi)*	2,55	1,1		2
AX17	Metro Lleuger Trinitat Nova - Can Cuiàs	12,02	1,8		4
M. Mòbil	Metro Material mòbil per ampliació de xarxa	144,24		24	
	Nova línia L9	**1.423,53**	**41,3**	**40**	**43**
AX08	Metro L9 Tram Aeroport - Parc Logístic	282,24	10,3	8	8
AX09	Metro L9 Tram Parc Logístic - Sarrià	383,93	13,2	13	15
AX10	Metro L9 Tram Sarrià - Sagrera Meridiana	198,78	6,0	8	8
AX11	Metro L9 Tram Sagrera Meridiana - Gorg/Can Zam	318,18	11,8	11	12
M. Mòbil	Metro L9 Material mòbil	240,40		40	
	Xarxa de Tramvia	**448,11**	**32,9**		**68**
AX12 a	Tramvia Diagonal (Pl. Francesc Macià) - Baix Llobregat	217,33	15,5		31
AX12 b	Tramvia Diagonal (Pl. Glòries) - Besòs	230,79	17,4		37
Altres Actuacions a la Xarxa Ferroviària		**426,69**	**14,7**		**10**
AA01	Línia Castelldefels - Sant Boi - Cornellà	426,69	14,7		10
Programa de Modernització i Millora		**789,91**	**14,4**	**27**	**4**
Programa d'Intercanviadors		**246,23**			**13**
Xarxa Ferroviària Estatal		**1.122,51**	**116,4**	**60**	**15**
TOTAL ACTUACIONS PDI 2001-2010		**5.741,98**	**251,4**	**181**	**186**

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Infrastructures Transport Plan 2001-2010
Financing chart

SUMMARISED FINANCING CHART

(Thousands of Euros)

		Ways of financing							Contribution by Administrations			
ACTIONS	TOTAL	C-P	C.Infraest.	F. Tramway	Deferred Payment Generalitat	Cohesion Fund	Press. AGE	Renting Rolling Stock	AGE	Generalitat	AA.LL.	Cohesion Fund
Extensions of the Network	**1.284,99**		1.140,75					144,24	445,16	800,96	38,87	
Line L9 (1)	**1.423,53**				616,90	566,23		240,40	108,18	684,33	64,79	566,23
Tramway	**448,11**	128,06		320,05					57,63	355,97	34,51	
Other Actions network (3)	**426,69**											
Modernization and Improvement	**789,91**	294,50	333,14					162,27	316,59	370,87	102,45	
Prog. Connections	**246,23**						60,10		122,15	124,09		
State rail network	**1.122,51**		186,13				1.122,51		1.122,51			
TOTAL PDI	**5.741,98**	**422,56**	**1.660,03**	**320,05**	**616,90**	**566,23**	**1.182,61**	**546,92**	**2.172,22**	**2.336,22**	**240,62**	**566,23**

(1) The amount affectively assumed by the budgets of the Catalan Government will depend on the contributions from the Cohesion Fund
(2) The annual payments are financed by the Contract-Programme with the corresponding contributions in relation to the operators results account.
(3) The financing system will depend on the results of the definition process of the action carried out by ATM.

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Agreement for Financing Infrastructures State-Catalan Government.

- ✓ The financing agreement for infrastructures between the State and the Catalan Government establishes the contributions of both administrations to finance a certain investment programme, as regards infrastructures of the Metro, Bus and FGC network. This Agreement has been signed for a period of 3/4 years and the contributions of the two administrations are defined from the following criteria:
  - ✓ 2/3 the Catalan Government.
  - ✓ 1/3 the General State Administration (AGE).
- ✓ The financing agreement of infrastructures 1998-2000 meant investments for an approximate value of 276 million Euros. The proposal of the financing agreement for the period 2001-2005 envisages investments to the value of some some 631 million Euros
- ✓ Also, outside of this Agreements, the Ministry of Promotion has to finance all the investments in infrastructures as regards the State Railway Network.

Contract-Programmes. Financing investments in maintenance and rolling stock

The instrument used to finance these investments are the Contract-Programmes between the ATM and the rest of the Administrations and the C-P between the State and Renfe. The contribution criteria are the following:

- ✓ **Metro and bus network (TMB)**
  - ✓ The state finances 45% of the maintenance investment (Annual depreciation + 18%) and 33% of the rest of the investments.
  - ✓ The Catalan Government, City Council of Barcelona and the EMT finance the remaining 55% and 67% (51%, 33% and 16% respectively).
- ✓ **Catalan Government Railways**
  - ✓ The state finances 45% of the maintenance investment (Annual depreciation + 18%) and 33% of the rest.
  - ✓ The Catalan Government finances the rest of the investments.
- ✓ **RENFE Local Trains**
  - ✓ The State finances 100% of the investments.
- ✓ **Bus lines under the EMT and the Catalan Government**.
  - ✓ For the first time the C-P and the C-F between the ATM and the Administrations for the period 1999-2001 includes contributions to finance an investment programme in mobile material and a system of exploitation aid valued at 18.1 Million Euros. The % of contribution are: 45% State, and the rest each one of the owning Administrations (Catalan Government and EMT)

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The new line 9 of the Metro (L-9). Characteristics of the project

The main action, as regards the volume of investment, of the PDI 2001-2010, is the building of the new line 9 of the Metro.

- ✓ 41.4 km of network, 43 stations and a estimated attainable demand of some 90 million travellers per annum.
- ✓ It will give service to neighbourhoods which do not have a connection with public rail transport (Singuerlin, Llefià, Santa Rosa, Bon Pastor, Can Peixauet, Pg. de la Zona Franca, Zona Franca and El Prat) and large communications centres like Sagrera, the Airport, Barcelona Trade Fair or the future Ciutati Judicial.
- ✓ 15 new connections with the rest of the rails network and 40 new trains.
- ✓ Investment envisaged around 1,733 million Euros in infrastructure and 240 million Euros in rolling stock.

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The new Line 9 of the Metro (L-9). Route

The new line 9 of the Metro (L-9)
Financing the project

- The cost of the infrastructure is divided into the following stretches:
  - Stretch 1. Can Zam/Gorg - Sagrera 463,88 M. Euros
  - Stretch 2. Sagrera - Sarrià 291,71 M. Euros
  - Stretch 3. Sarrià - Parc Logístic 563,48 M. Euros
  - Stretch 4. Parc Logistic - Aeroport 414,20 M. Euros

- The financing of the project will intially be carried out by the Catalan Government through the German model, that is to say payment of the works as it is handed over by the builder.

- The Catalan Government adjudicated, in June 2001, the building works of the tunnel of Stretches 1, 2 and 3 (to Zona Franca) and the superstructure and stations of Stretch 1 to the value of 714.52 million Euros.

- It is envisaged that the first Stretch, Sagrera – Gorg/Can Zam will come into service in the middle of the year 2004. The rest of the line, until the Parc Logístic and the Airport will come into service progressively until the year 2006.

The new line 9 of the Metro (L-9)
Financing the project

- ✓ Independently, the ATM has achieved an agreement with the BEI for a loan of 650 million Euros, to be repaid over 30 years, and susceptible to being used by the Catalan Government in order to finance Line 9.

- ✓ At the same time contribution has been requested from the European Cohesion Funds for the Airport – Sarrià Stretch, to a value of 565 million Euros.

- ✓ The Catalan Government is drawing up a projected Law for the creation of Catalan Railway Infrastructure Body, which will take on the ownership of the rail infrastructure and will have income from charging the tax on the use of these infrastructures. In this way, this body will have the resources for financing the building of new rail infrastructures in Catalonia.

Diagonal – Baix Llobregat Tram

- The Plan Directing Infrastructures (PDI) approved by the ATM includes, apart from the actions already described, the development of a tram network from the Baix Llobregat to the River Besòs, which has to be implanted in different sections:
  - Pl. Francesc Macià-Baix Llobregat (Diagonal-Baix Llobregat Tram)
  - Pl. Francesc Macià-Pl. de les Glòries- Sant Adrià de Besòs
  - Pl. Francesc Macià – Pl. Glòries (central stretch)

ATM
Autoritat del Transport Metropolità

Calendar for the Diagonal – Baix Llobregat Tram Project

- ✓ Agreement of the Board of Administration to to put the Baix Llobregat Tram project up for bidding on the 16th December 1998.
- ✓ Definitive adjudication of the contest by the Board of Administration of the ATM on the 27th April 2000.
- ✓ Agreement Catalan Government Commission to finance on the 31st July 2000.
- ✓ Public information, building project from 24th July to the 30th September 2000.
- ✓ Approval of the building and town planning project by the Board of Administration of the ATM on the 14th May 2001.
- ✓ Statement on the environmental impact, Department of the Environment on the 15th May 2001.
- ✓ Re-planning and first stone laid on 22nd June 2001
- ✓ Envisaged coming into service: Autumn 2003

Diagonal – Baix Llobregat Tram.
Adjudication Process

- ✓ The contest for the adjudication of the Tram was organised by the ATM with the **BOT** system **(“**Build, Operate and Transfer”) with mixed participation from the public and private sectors, both for the building as well as for the exploitation.
- ✓ The content of the offers presented was the following:
  - ✓ Advance technical and exploitation project.
  - ✓ Financing system on the basis of an initial contribution of public capital, the rest being financed by the private group.
  - ✓ Recovery of the private investment through the technical exploitation tariff which integrates the depreciation of the capital and the exploitation and maintenance expenses.
  - ✓ Risk of demand shared between the Administration and the contestant
- ✓ The contest has been carried out in two stages: pre-qualification and selection. The adjudication process has lasted a total of 16 months.

Diagonal – Baix Llobregat Tram.
Adjudication Process

- ✓ Three different groups of international companies entered the contest**.** These groups were made up of exploitation companies, building companies specialised in railways and financial bodies basically.
- ✓ The main components of each group were the following:

  Group B : FCC, Alstom,C.GEA Transportes, Banc Sabadell et Société Générale,

  Group C : Europroject, Cintra, Via GTI and Adtranz, among others.

  Group D : Transdev, Siemens, ACS, Dragados and Caixa Catalunya, among others.
- ✓ The competition between the different groups who entered and the ownership held by th ATM with the assistance of the advisor "*SENER Ingeniería y Sistemas"* throughout the process, allowed quality offers, proposing diverse innovative solutions.
- ✓ Following the analysis and evaluation process which lasted three months, The Board of Administration of the ATM, on the 27th April 2000, adjudicated the contest to Group B, for one of the variants presented, called "Trammet Integrat".

Diagonal – Baix Llobregat Tram.
Technical aspects of the chosen option

- ✓ Connection between **7 municipalities**: Barcelona, L'Hospitalet de Llobregat, Esplugues de Llobregat, Cornellà de Llobregat, St. Joan Despí, St. Just Desvern and St. Feliu de Llobregat.
- ✓ **15.5 km** of line with **31 stops** with one or two platforms, and 7 connections with Renfe and Metro.
- ✓ Accessible to persons with reduced mobility.
- ✓ Price integration in the system.
- ✓ Average estimated demand **19.4 million travellers/year,** from 8.4 million the first year to reaching 21 million in the 15th year of running.

Diagonal – Baix Llobregat Tram.
Economic Aspects of the chosen option

- ✓ Investment of **168.97 million €**: Including the infrastructure, superstructure and town planning works (97.68 million €), the installations and systems (23.64 million €) and the rolling stock (47.64 million €).
- ✓ Initial contribution of public contribution (Catalan Government): 155.2 million €.
  - ✓ Interest rate: 6.5% (70.7 million € of financial cost)
  - ✓ Period of depreciation: 13 years.
  - ✓ Subscribed for the adjudication with the support of the ATM
- ✓ Average technical price for the period: 0.82 €/journey, including operation expenses, rolling stock and garages, and industrial profit (€ 2000).
- ✓ Current Net Value of the contributions of the ATM: 429,4 million €.
- ✓ TIR (IRR): 9.95%
- ✓ % public participation in the exploiting company: 20% (TMB+FGC)
- ✓ Concession period: 25 years

Diagonal- Besòs Tram

Background:

- On the 26th July 1999 the Board of Administration of the ATM reached the agreement to approve, as an action to be incorporated into the PDI 2001-2010, “the implantation of a tram network from the Baix Llobregat to the River Besòs along the Avinguda Diagonal, with the distinction of the following stretches:
  - The stretch Pl. Francesc Macià – Baix Llobregat, in accordance with the project currently approved and in execution.
  - The stretch Pl. Francesc Macià- Pl. de les Glòries, with the solution which then derived from the analysis contemplated in a studied commissioned from Barcelona Regional.
  - The stretch Pl. de les Glòries – Sant Adrià de Besòs, with a route that would allow coverage to be given to the needs deriving from holding the Fòrum 2004 and the transformation process of the Poble Nou and Diagonal Mar area.

Diagonal- Besòs Tram

Characteristics of the Project:

- ✓ Connection between **3 municipalities**: Barcelona, Sant Adrià del Besos and Badalona.
- ✓ **14 km** of line, with different connection points with Renfe and Metro, and the Estació Nord bus station.
- ✓ Estimated investment of 170.0 million Euros.
- ✓ Price integration in the system.
- ✓ Financed with a similar formula to that used by the Diagonal-Baix Llobregat Tram.
- ✓ Expected average demand is **10.5 million travellers/year.**

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THE FUNDING OF PUBLIC TRANSPORT IN A DEREGULATED CONTEXT

Keith Howcroft

Director of Planning & Communication

Greater Manchester Passenger Transport Authority

Structure of presentation

- Who are GMPTA and GMPTE?
- What do we do?
- What are our key aims?
- How are we funded?
- What do we spend it on?
- Does it work?
- What does the future hold?

Greater Manchester Passenger Transport Authority & Executive

- GMPTA (The Authority)
  - 33 elected councillors drawn from the 10 Districts
  - sets policies for public transport in the county
- GMPTE (The Executive)
  - puts these policies into practice
  - provides The Authority with professional advice

What we do (and don’t do!)

GMPTE

- We do
  - specify level of local rail and tram services
  - provide bus stations, shelters and stops
  - provide travel information (for now)
  - plan major strategic investments
  - promote integration of the public transport network
  - provide a concessionary fares scheme
  - subsidise socially necessary bus services

What we do (and don’t do!)

GMPTE

- We don’t
  - operate services
  - specify or control bus services
  - specify commercial fares
- We operate in a deregulated environment where most bus services are provided entirely commercially

Our Key Objective

To provide the people of Greater Manchester with the best possible public transport network; integrated, accessible and safe, high quality and which provides an attractive alternative to the private car

7 key themes

- Passengers First
- Building Partnerships
- Access for All
- Safe & Secure
- Integrating Networks
- Investing for the Future
- Environmental Responsibility

How are we funded?

- We get our money from 2 main sources;
- **Revenue** from the local authorities via a levy
- **Capital** from central government through grants and borrowing powers
- Other sources, particularly for capital funds are the EU and the private sector

Revenue

Income (2000/01)	**£m**
Levy on districts	103.18
Rail grant	60.34
Reserves	1.57
Interest on capital	0.54
Total	165.63

Revenue

Expenditure (2000/01)	£m
Rail	60.34
Concessionary support	44.36
School services	7.45
Subsidised services	8.10
Metrolink	1.26
Accessible transport	4.51
Integration	3.22
Passenger facilities	2.24
Support services	3.98
Finance costs	30.17

Capital - 2001/02

- Resources available - £20.0m from;
  - Local Transport Plan
  - Capital receipts
  - Grants
  - Special programmes
  - Interest
- Metrolink Phase 3 - £49m

Capital Programme 2001/02

- Total programme (£m) 20.0
  - Bus 8.0
  - Rail / tram 5.5
  - Other / support 2.5
  - Major projects 4.0
- Metrolink Phase 3 49.0

Observations on the funding system

- Capital
  - LTP & 10 Year Plan give greater certainty
  - But rail investment is uncertain
- Revenue
  - Districts control levy process
  - Concessionary spend is not targeted
  - Not enough influence on operators for level of investment
  - Discretionary spend is limited

Changes

- Single capital pot
- Future of rail grant?
- Costs of providing information transfer to operators
- Undertaking review of bus revenue support
- Regional or metropolitan PTAs?

The Transport Tax: a key resource dedicated to the financing of public transport in France

Stéphane Lecler
STIF

History of the Transport Tax

- First created in 1971 by a law to fund public transport systems in the Paris Region
- Resource made available to the other French cities with progressive steps:
  - in 1973 for cities over 300,000 inhab.
  - in 1975 over 100,000 inhab.
  - in 1982 over 30,000 inhab.
  - in 1991 over 20,000 inhab.
  - in 2000 over 10,000 inhab.

Principles of the Transport Tax (1)

- The creation of the Transport Tax for a given urban area is decided by the « Public Transport Authority » (PTA)
- The Transport Tax is paid by all organisations (private and public) with more than 9 employees, except those which provide for the trips to work of their staff members or which offer permanent housing to their employees

Principles of the Transport Tax (2)

- The Transport Tax is calculated on the wages paid by the employers
- The PTA is free to set the rate of the tax, provided it doesn ’t exceed a ceiling fixed every year for the whole country by a law (ceiling depends on the size of the city)
    - 0.55% of salaries for cities between 10,000 to 100,000 inhab.
    - 1% for cities over 100,000 inhab.
    - 1.75% for cities with light-rail systems (tramway or metro)

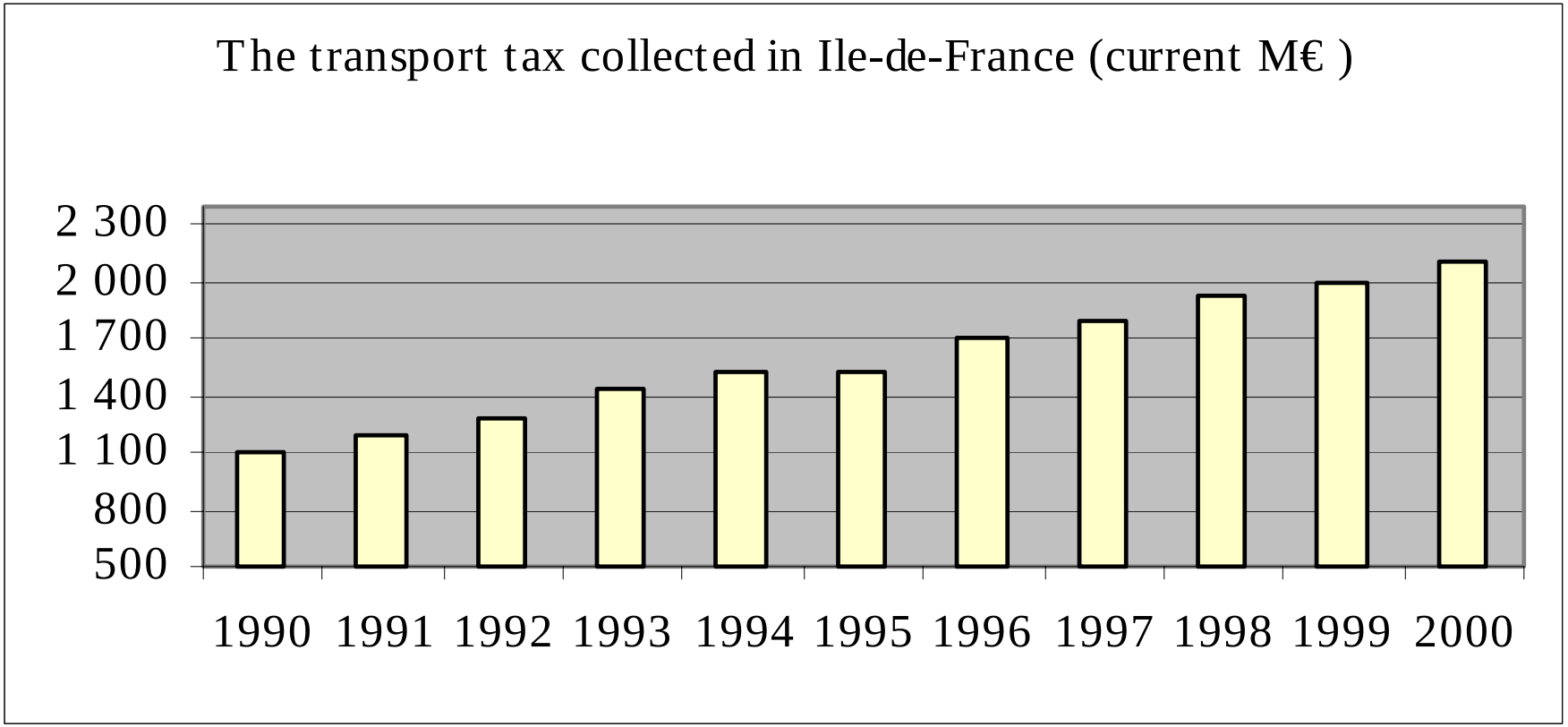
Principles of the Transport Tax (3)

- The Transport Tax is collected by the public organisations in charge of social security, and then paid to the PTA
- The Transport Tax can be used by the PTA to fund both operations or investments into public transport systems (in the Paris Region, it was until 2000 only used for operations)

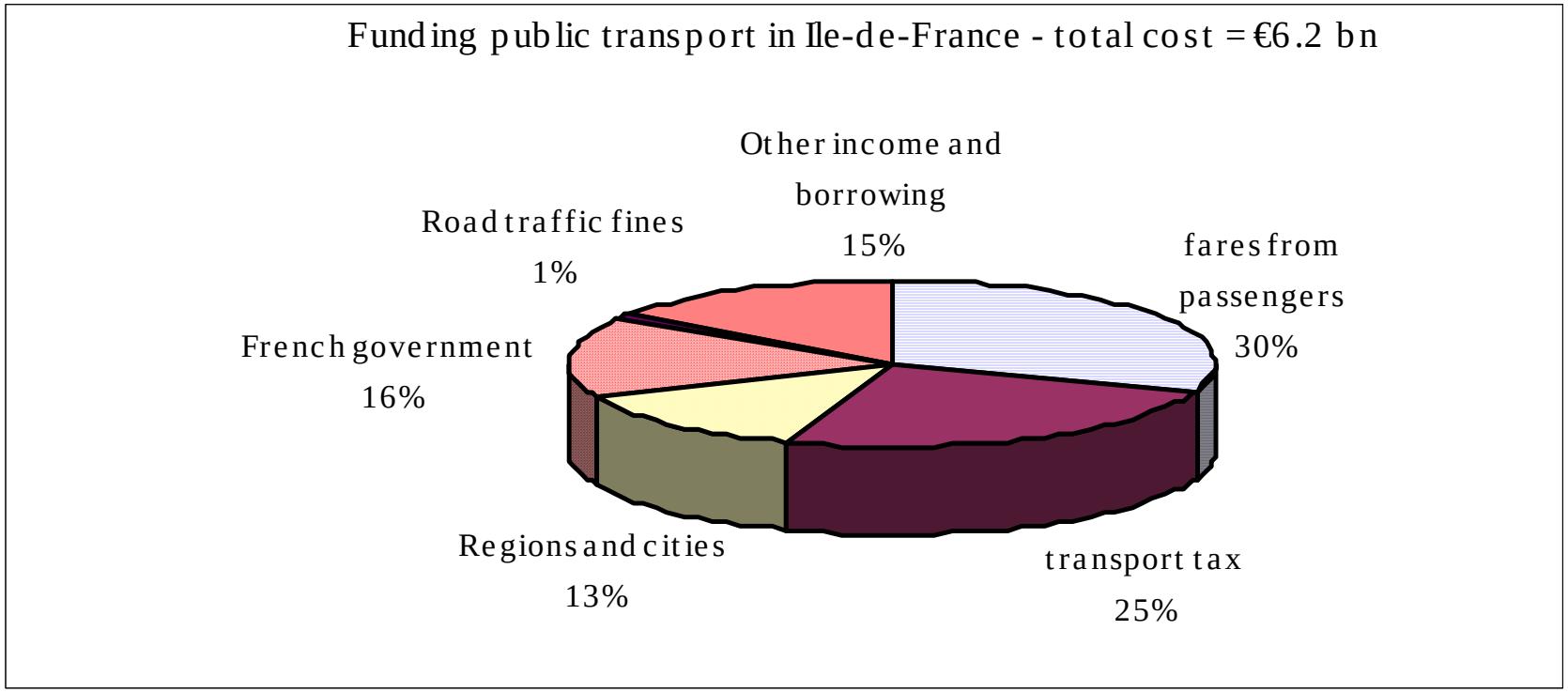
Key figures (1)

- All cities with more than 100,000 inhab. have set up a Transport Tax, and 80% of those between 20,000 and 100,000 inhab.
- More than 3/4 of PTAs have fixed the rate at the highest level allowed by the law

Key figures (2)



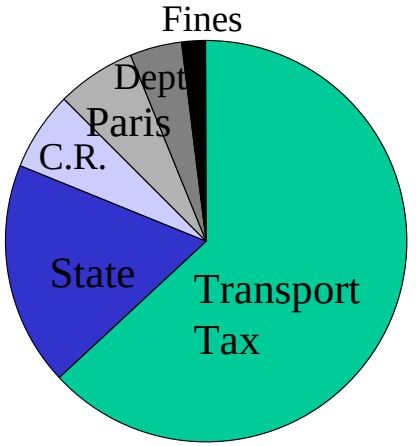
Key figures (3)



Key figures (4)

STIF ’s budget:

- Transport Tax (paid out by employers): 63%
- Public subsidies: 35%
  State: 51.4%
  Regional Council: 18.6%
  Counties: 30% (dont 18.6% Paris)
- Road traffic fines paid by car drivers: 2%



Conclusion

José Ignacio ITURBE LÓPEZ
Director General of the Transport Consortium of Madrid
President of EMTA

First of all I would like to give my warmest thanks to the Metropolitan Transport Authority of Barcelona for the excellent organisation of this seminar, to all those who have given summarised and passionate presentations, to the numerous public which has come to Barcelona and, finally, to the generous sun of Catalonia.

I am pleased that the EMTA has chosen the subject of the authorities which organise public transport networks for their second seminar. These authorities are mostly recent structures sometimes with very limited human resources and, nevertheless, they carry out an irreplaceable function in the organisation and financing of public transport. They should act as intermediaries between the passengers and the operating companies of the networks and they must also ensure that a good integration between the different companies and modes of transport allows a high quality service to be offered. The precise function of the EMTA is to represent these authorities and allow them to become more well known.

I will remind you of the main points of the different talks:

- In the first place, there is not a single model for the organisation of metropolitan public transport networks, a model which could be applied to all the cities independently of their local context. The experiences that have been presented to us offer all the examples of original institutional solutions in accordance with the needs of the territories in question.

- then, the interesting ideas and projects that have been designed and put into practice in certain cities, some of which have been presented to us by those who have spoken, should encourage us to exchange information on a permanent basis between authorities with the aim of being inspired by good practices whose tests have already been carried out elsewhere.

- The question of the pertinent territory for the responsibilities of the organising organisation is a prior condition for all good public transport network organisations.

- It is very important that the organising authority has the responsibility over all the means of transport in the town, including the railway. The few examples of authorities who have global responsibility with regard to questions of mobility, that is to say, responsibility for urban planning problems, seems to show that these approaches may allow a greater coherence of the policies applied.

- The question of sources of financing for the organising authorities is fundamental. On this point, in Europe two models coexist: in one case, the public transport organising authorities receive most of their income from their public members; in the other case, they receive have their own income which they can use according to their policies.

- Lastly, about the essential points like the ownership of infrastructures or marketing the networks, we have learnt that the organising authorities must play an important role,

especially in the perspective of opening up competition in the public transport networks, which is being talked about a lot at the moment because of the initiatives of the European Commission on this subject. Competition cannot produce positive effects unless there is a powerful authority in charge of organising the area whose exploitation will be granted to the companies.

I hope that this seminar has allowed you to advance your knowledge about the organisation, missions and running of the public transport network organising authorities in large European cities. The EMTA is at the disposal of anyone who wishes complementary information about its member authorities and invites you to our next seminar in 2003.