



STATE OF THE ART REPORT

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0. EXECUTIVE SUMMARY

This report constitutes Deliverable 3 of the SPUTNIC project and describes the outcomes of the comprehensive state-of-the-art analysis of European Public Transport (PT) systems in transition that has been undertaken in Workpackage (WP) 2 with the parallel support of WPs 3-6.

The content of this state-of-the-art report has mainly been provided by the four SPUTNIC Working Groups (WGs), dedicated to the specified priority domains: Market Organisation (WP3), Customer Relations (WP4), Corporate Management (WP5) and Equipment and Operational Aspects (WP6). This report summarises the collected and analysed research results along the priority areas described above and presents good practice examples, which offer efficient and effective solutions for problems faced by PT systems in transition.

In a first step each of the four WGs identified and analysed relevant research results on European and national level, which were collected by real-life experience and a broad literature survey (professional press and internet sites) in order to compile the current state of knowledge. At the first plenary session and the first two WG meetings these findings were validated by external experts: PT practitioners representing both the authorities' and operators' side and originating from different European countries.

The state-of-the-art report comes to the following findings:

- The upcoming EU regulation on public passenger transport services by rail and by road will fundamentally shape the forms of cooperation between PT authorities and operators by including the element of Public Service Contracts
- The working conditions between PT authority and operator have to abide by the law, provide the quality expected by the customers and conform the fair distribution of responsibilities and risks
- To be cost-efficient and effective integration in the PT sector has to comprise all fields such as, networks, timetables, tariffs, fares and services between operators on the one side and between operators and third parties on the other side
- Due to structural under-financing PT should consider suitable funding alternatives focussing on tax exemptions, congestion charges, International Finance Institutions credits, Public Private Partnerships (PPP) and value capture tools
- Integrated and sustainable PT strategies need to be developed on basis of managing PT users' perceptions through continuous monitoring and communication tools
- Potential marketing methods which improve PT image and increase PT patronage has to be the result of an on-going dialogue with PT users identifying their mobility behaviour and needs
- The PT sector should implement service and quality guarantees and a proper client satisfaction management especially to win back the non-captive users.
- The introduction of relevant performance indicators can turn PT enterprises into more fully-fledged service providing companies which are better equipped to simultaneously meet the demands of the public authority, the customers and the own staff

- Transition in PT organisations has to be based on planned multidimensional processes incorporating both staff demands and consumer needs while anticipating and adjusting to changing circumstances
- Staff development programmes are crucial for the improvement of PT companies regarding topics like innovation, service, quality, efficiency and competitiveness
- Outdated and run-down equipment and infrastructure has to be renewed taking into account the local requirements and conditions while meeting the objectives of cost-efficient operating and maintenance expenses, environment needs and users' expectations
- PT to become as accessible, fast and comfortable as possible is not only an aspect of 'hard' measures as equipment and infrastructure, but also of 'soft' ones as the implementation of cutting-edge intelligent transport systems guiding the user before and during the travel
- The modernisation and upgrading of PT systems corresponds to the principle 'rolling stock follows infrastructure'. First the infrastructure has to be constructed and afterwards the rolling stock has to be designed and purchased

This report can not be all-embracing but should give a good overview of the current situation on PT systems in transition. Besides presenting state-of-the-art results and depicting good practise examples this report will pave the way for the future project work. On basis of this report WPs 3-6 will further lead the activities of the project towards the presentation of Best Practices and Recommendations (Deliverable 4) and the development of Policy and Research Recommendations (Deliverable 5).

1. INTRODUCTION

The mobility of citizens is a fundamental prerequisite for a high quality of life as it provides access to work, housing, education, health and leisure. Nowadays demand for mobility is evermore rising especially in urban areas where over 60% of the European population lives. By 2020, approximately 80% of Europeans will be living in urban areas, while in seven countries the proportion will be 90% or more.¹ The car is by far the dominant urban mode, contributing about 75% of kilometres travelled in EU conurbations.

The agglomeration of people and the raised transport combined with the car as preferred transport means is leading to the increase of congestion, energy consumption and manifold harmful effects on public health and the environment.² Public Transport (PT), on the contrary, provides cost savings, improves transportation choice and contributes to an increased economic development and more efficient land use patterns. Against this background PT should be the 'natural' solution for towns and cities, which are often affected by urban sprawl and are inhabited by a population with diversified lifestyles. Although the choice for PT should be consequential and obvious, local and regional PT systems, especially in many new European Member States (MS), are constrained by similar internal and external issues.

¹ Urban sprawl in Europe, European Environment Agency Report, 10/2006, http://reports.eea.europa.eu/eea_report_2006_10/en/eea_report_10_2006.pdf

² Green Paper: Towards a new culture for urban mobility, COM (2007) 551 final, http://ec.europa.eu/transport/clean/green_paper_urban_transport/doc/2007_09_25_gp_urban_mobility_en.pdf



To sum it up in short: the equipment is outdated; the institutional and market situation is characterised by unclear rules and responsibilities; the ridership switches to the car and the staff is demotivated. These issues are intertwined with each other and are tightening the noose for effectiveness, efficiency and progress possibilities of PT systems. In order to develop sound and comprehensive solutions for the challenges faced by local and regional PT systems in transition³ it is necessary to start from today's perspective by analysing the current state-of-the-art of PT in Europe. This analysis has been performed along the four SPUTNIC priority areas:

- Market organisation (WP3)
- Customer relations (WP4)
- Corporate management (WP5)
- Equipment and operational aspects (WP6)

These priority areas have been subdivided into key issue topics which were discussed and refined after the first plenary session.⁴

Market organisation (WP3) deals with cooperation between PT actors, global aspects of integration, innovative financing methods and incentive contracts and monitoring systems.

Customer relations (WP4) tackles questions like monitoring the transport market and feeding the monitoring results into the operations of PT, improving PT image and ways to establish proactive customer dialogue.

Corporate management (WP5) focuses on topics of corporate performance management, restructuring of PT organisations and developing skills and competencies.

Equipment and operational aspects (WP6) looks at challenges related renewal and modernisation of fleet and infrastructure, implementing innovative technology solutions and enhancing exchange of information and experience.

The following state-of-the-art report is based on the findings of preceding EU-projects such as MARETOPE, VOYAGER and LEDA which remain largely valid. Actualisations are based on newest developments, recent surveys, UITP documents, material of various related conferences and recent studies such as the REC report on six cities in Central and Eastern Europe⁵ and the recent World Bank primer on urban transport.⁶

The outcomes of this desk research were validated by PT stakeholders on two WG meetings organised in 2007. At the WG meetings experts from PT authorities, operators and consultancies were invited to provide the essential real-life input, give an insight-look and bring novelty into the debate. The WG meetings were organised in a way (background documents and questionnaire prior to the event) to incite the experts to present good practise examples and share their knowledge with the SPUTNIC consortium. At the first WG meeting, which took place in Sitges/Spain from 29th till 31st of March 2007, the PT expert pool offered a balanced mix from professional and geographical backgrounds: 28 out of 39 participants were coming from new MS. The same applied also to the second WG meeting (4th till 6th of October 2007 in Zagreb/Croatia) where 24 out of 35 experts and stakeholders from new MS were taking part. Following these two meetings the reviewed and validated findings, enriched with good practise examples, will be presented in the following report.

³ SPUTNIC Challenges Report, Deliverable 2

⁴ SPUTNIC Inception Report, Deliverable 1

⁵ A survey of PT in 6 cities of Central and Eastern Europe, REC, 2006

⁶ Urban Transport for development – A primer to the World Bank's strategic framework, Mitric, 2007