

SPUTNIC Cluster Market Organisation
Second Working Group meeting - Legislation, framework and cooperation
4-5 October 2007, Zagreb, Croatia

Market Organisation Questionnaire

EVALUATION

The questionnaire was answered by seven experts from the Market Organisation Cluster. So we compare the situations of **seven cities**.

New regulation on EU level (described in the working paper)

The new regulation was prepared before the enlargement of the EU in 2002. Three of seven feel that the CEEC and its PT sector have had enough influence in this matter. The rest feels that there is not enough influence of the CEEC on the new regulation.

Previous work in SPUTNIC has shown that the legal and financial framework in the new Member States is inadequate and inconsistent. Almost all see this change in their country as a result of the new EU Regulation, only one is the opposite opinion.

Competitive tendering becomes more and more common. It grows in most of the countries. Only in one case there is no tendering at the moment.

Regulation on national/regional level

We asked about different issues which are regulated by law in respective country/region. The following overview shows in how many cases (per cent) the issue is regulated.

- general responsibility of authorities to provide and finance PT (general public service): 85%
- division of responsibilities among different levels of authorities (e.g. for different modes of PT): 70%
- the right of initiative (market entry regulations, concessions etc.) 85%
- the (minimum) amount of PT services provided 28%
- the process of contracting PT services 85%
- compensation mechanism (e.g. for tariff reductions imposed by the authority) 70%
- conditions for tendering of services 70%
- coordination of interregional, regional and local PT (timetables, fares, tariff unions etc.) 28%
- rules for financing infrastructure, equipment and operation 28%
- possibilities for the authority to finance PT supporting measures 28%

Six of seven answerers think that there is a lack of adequate legislation in their country concerning regional and local PT. The missing rules are:

- detailed elaboration of general rules, some parts of law are to generally written

- rules for integrated PT systems and the roles of actors and their competencies
- clear regulations of using the different kinds of tendering procedures
- public transport in cities (clear legislation of inland and international transport)

On the question on which legal level legislation should be implemented most of the answers (5 of 7) say it should be on national level, two prefer the regional level and only one sees the needs for implementation on local level.

Plans to change the legal framework exist in most of the countries. These changes will take place in the next years. The main objectives for this new legislation are different. On the one hand the establishments of a strategic transport planning on the national and regional level and unification of the conditions for rail and bus transport. On the other hand there is the need for adoption the EU legislation into national/regional regulation.

Organisation models and cooperation between authority and operators

The decision to provide public transport services derived in four cases from a policy choice by the authorities and in one case from the initiative of private companies responding to user demand. In two cities the right of initiative is split into both (authority or market initiative).

About the ownership of operating resources there are the following results:

- Infrastructure is almost owned by the public hand. In one case there exists a public-private partnership of infrastructure.
- In most cases (6 of 7) the rolling stock is owned by public and private owners together. But also a case of only public ownership of rolling stock exists.
- At the ownership of the operating company there is (6 of 7) a mix of public / private ownership. In one case there is an only public ownership of the operating company.

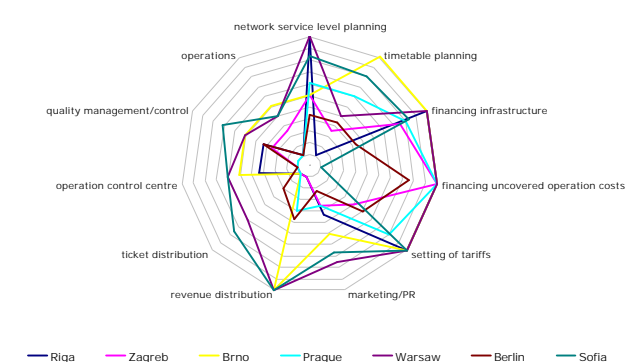
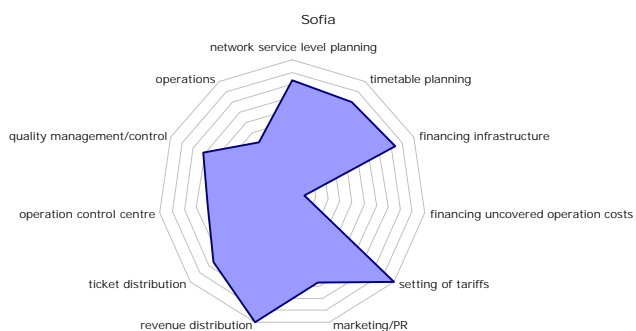
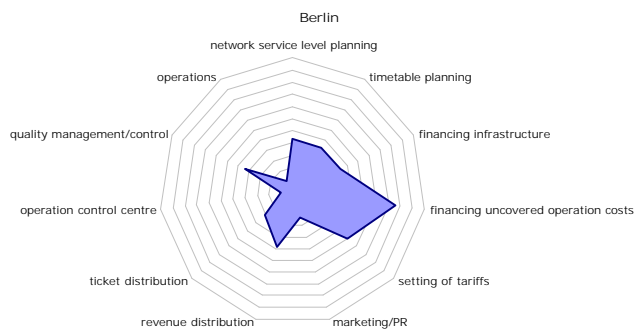
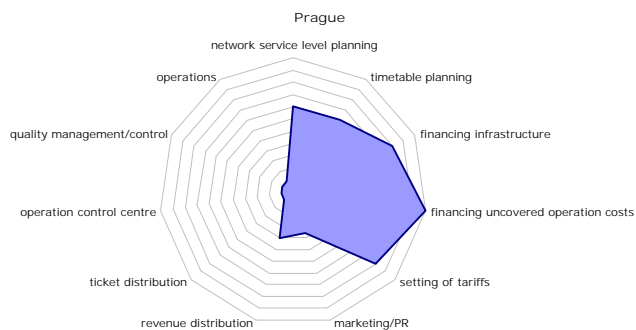
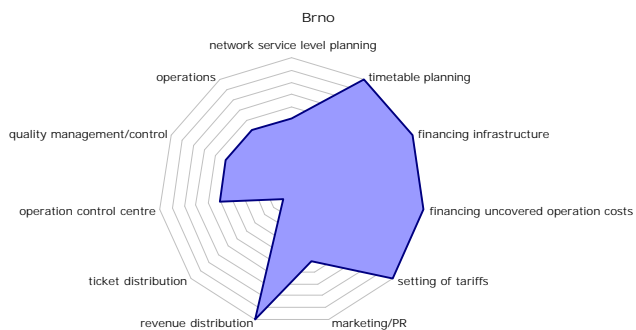
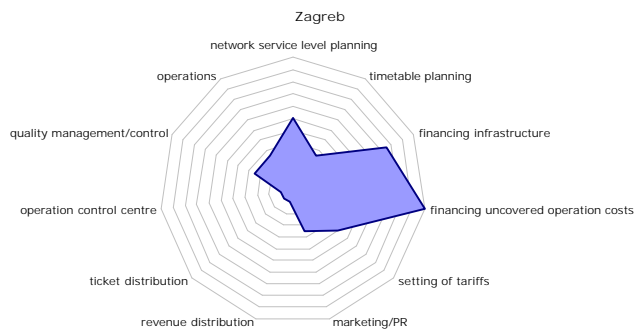
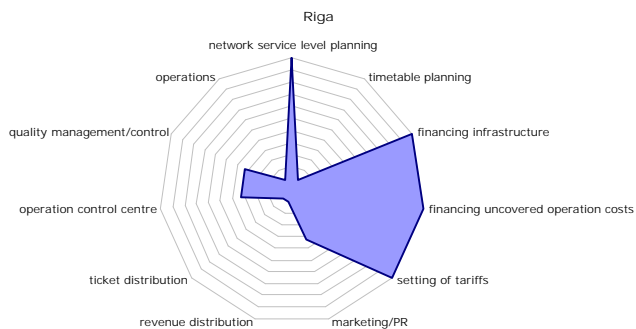
In no case the system is operated by the municipality (direct management). The operation by public or private operators with a concession to provide the services (delegated management, directly awarded) is typical in two cases. The operation by public or private operators with a concession to provide the services (awarded through tendering, competition for the market) is also common practice in two cases of cities.

But the most common practice is a mix of operation by directly awarding, awarding through tendering and competition in the market.

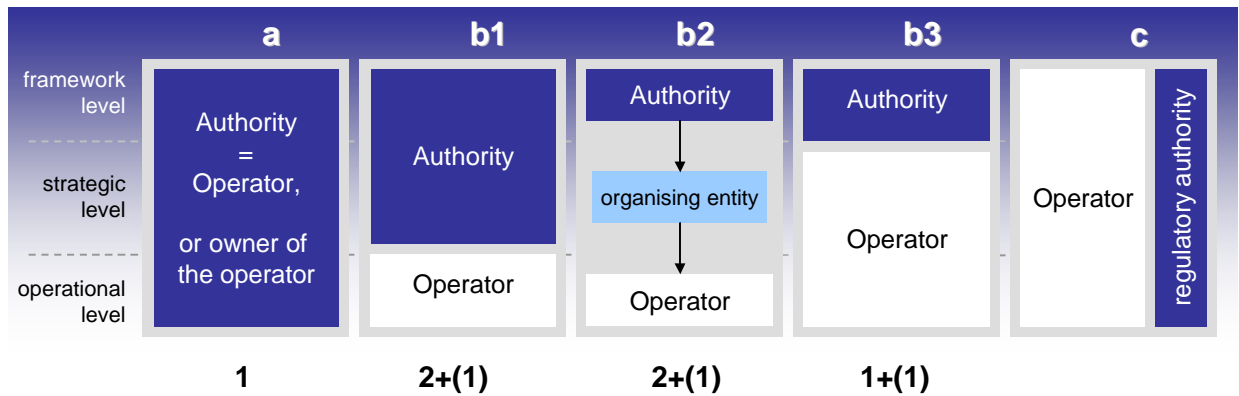
The figures below show the different share of responsibilities of the authorities in the respective cities. We asked after the division of responsibilities between the different levels of actors (authority, intermediate organization and operator). In two of seven cases there is no intermediate organization existing. In the other five cases there exist such an organization but in four of these cases this organization is controlled by the authority. The other one is controlled by the operator.

We merged the shares of responsibilities from authorities and authority controlled intermediate organizations. In the one case with the intermediate organization half controlled by authority and half by the operators we halved the values and allocated them to the authority and to the operator.

The bigger the surface, the bigger is the responsibility of the authority.



Referring to the models described in the working paper and shown in the figure below the following result are made:



In one case model (a) is common. In two cities public transport is organized after (b1) and in two other cities after (b3). In one case all models of group (b) are used. Model (c) with only the operator as the responsible unit is not common in the answering cities.

The relationship between operators and authorities in the cities are mostly characterized by trust. But it also depends on the division of responsibilities. A regular platform for cooperation with constant exchange of ideas is missed.

In six of seven cases there are Public Service Contracts concluded between operators and authorities/ intermediate organisation. In three from six cases of existing Public Service Contracts gross cost contracts are common. In two cases there are net cost contracts and in one case there is another kind of contract used. Incentive contracts are not common in the respective cities.