



# **2<sup>nd</sup> Working Group Meeting WG 3: Market Organisation - Institutional framework and co-operation -**

Working Session (part 4):  
Organisation models for regional / local public transport  
and co-operation

Zagreb, 05.10.2007



## Working Programme

### Part A: 11:15 – 12:30

1. Introduction by VVO – Examples of PT Organisation models in Germany and experiences in VVO
2. Results from the Inquiry
3. Discussion of results



Lunch break  
12:30 – 13:30

### Part B: 13:30 – 15:45

1. Presentation of regional / local PT Organisation models an co-operation between authorities and operators by ???
2. Presentation of regional / local PT Organisation models an co-operation between authorities and operators by Bertil Hylén
3. Space for further examples and statements by experts on PT organisation and co-operation
4. Questions to speakers an group discussion on good practice/experiences



# 1. Introduction by VVO - Examples of PT Organisation models in Germany and experiences in VVO

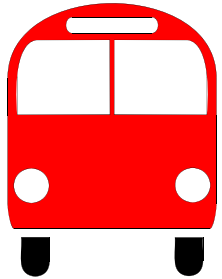
Lutz Auerbach

Verkehrsverbund Oberelbe GmbH (VVO), Dresden

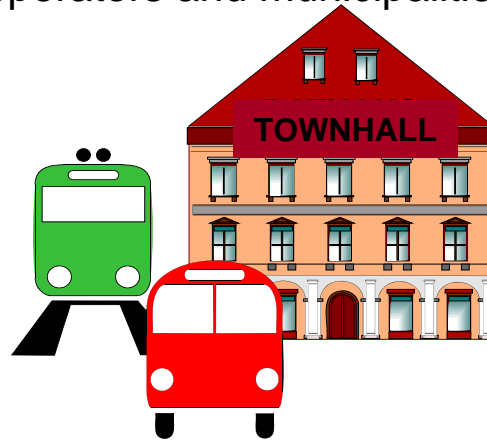


# Elementary examples for PT organisation models in Germany

Associations of operators



Mixed associations of operators and municipalities



Associations of municipalities/ authorities



- Manifold organisation models/ different task distribution
- Trend to a globalisation of regions
- Development to authority associations



Hamburger  
Verkehrsverbund (HVV)  
founded 29.11.1965 first  
PT association worldwide

## Associations of oper

- Founded almost in early years of PT organisation - 60 and 70 years in western part of Germany as tariff unions
- Targets of implementation were
  - Tariff integration
  - Adjustments of time table (schedules)
  - Easement for access of PT
- In last years there is a trend to Associations of authorities, also in metropolitan areas due to changed law regulations
- Examples:
  - VHB Verkehrsverbund Hegau-Bodensee (7 operators incl. 2 railway op.)
  - VGC Verkehrsgesellschaft Bäderkreis Calw (15 bus operators)
  - VGWS Verkehrsgemeinschaft Westfalen-Süd (4 operators incl. 2 railway op.)



## Mixed associations of operators and municipalities

- Both operators and municipalities are stockholders or where required shareholders of the PT association
- Sometimes this model is a kind of transition period from a operators association to an authority association, sometimes actually founded intentional
- **Principal advantage:** bundling of know how from both sides
- **Principal disadvantage:** noncompliance with EU legislation concerning separation of ordering and providing



## Mixed associations of operators and municipalities

- MDV Mitteldeutscher Verkehrsverbund



- 21 bus operators
- 2 bus and tram operators
- 5 railway operators
- 8 rural counties
- 2 cities (Halle und Leipzig)
- 3 railway authorities
- 1,8 Mio. Inhabitants
- 7.900 km<sup>2</sup>
- 50 railway lines
- 33 tram lines
- 580 bus lines



## Mixed associations of operators and municipalities

### • MDV Mitteldeutscher Verkehrsverbund



- 51 percent shareholding of municipalities
- 49 percent shareholding of operators
- Basic contract between municipalities
- co-operation agreement with railway authorities
- company agreement between operators and municipalities



## Associations of municipalities / authorities

- Especially in the eastern part of Germany after re-union
- But also in the western part of Germany due to the implementation of German law for Regionalisation of Public Transport in 1994 rising number of municipality PT organisations (Aufgabenträgerverbände)
- **Principal advantage:** compliance with EU legislation concerning separation of ordering and providing responsibility of financing and planning in one hand
- **Principal disadvantage:** development of know how on municipalities side required



## Associations of municipalities / authorities

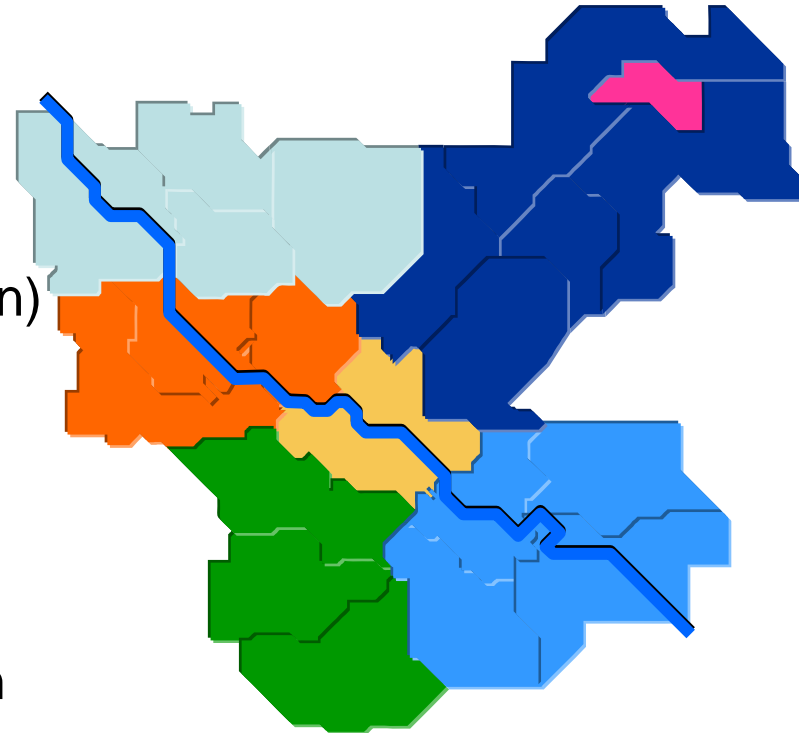


- HVV Hamburger Verkehrsverbund has been changed into a municipality PT organisation
- 7 rural counties, city of Hamburg
- 35 operators
- 3,3 Mio. inhabitants
- 8.700 km<sup>2</sup>
- 1,95 Mio. passengers a day



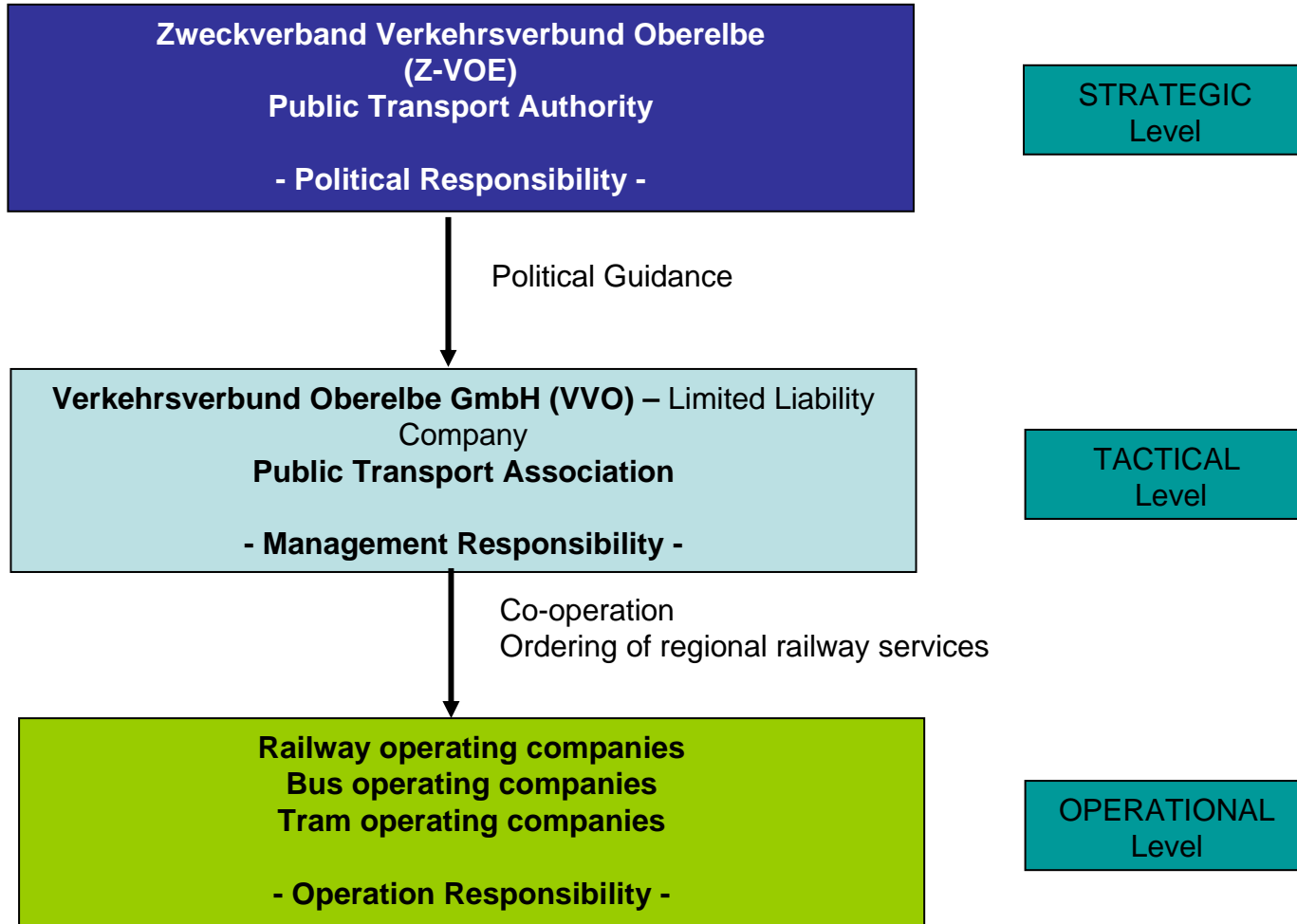
## Associations of municipalities / authorities

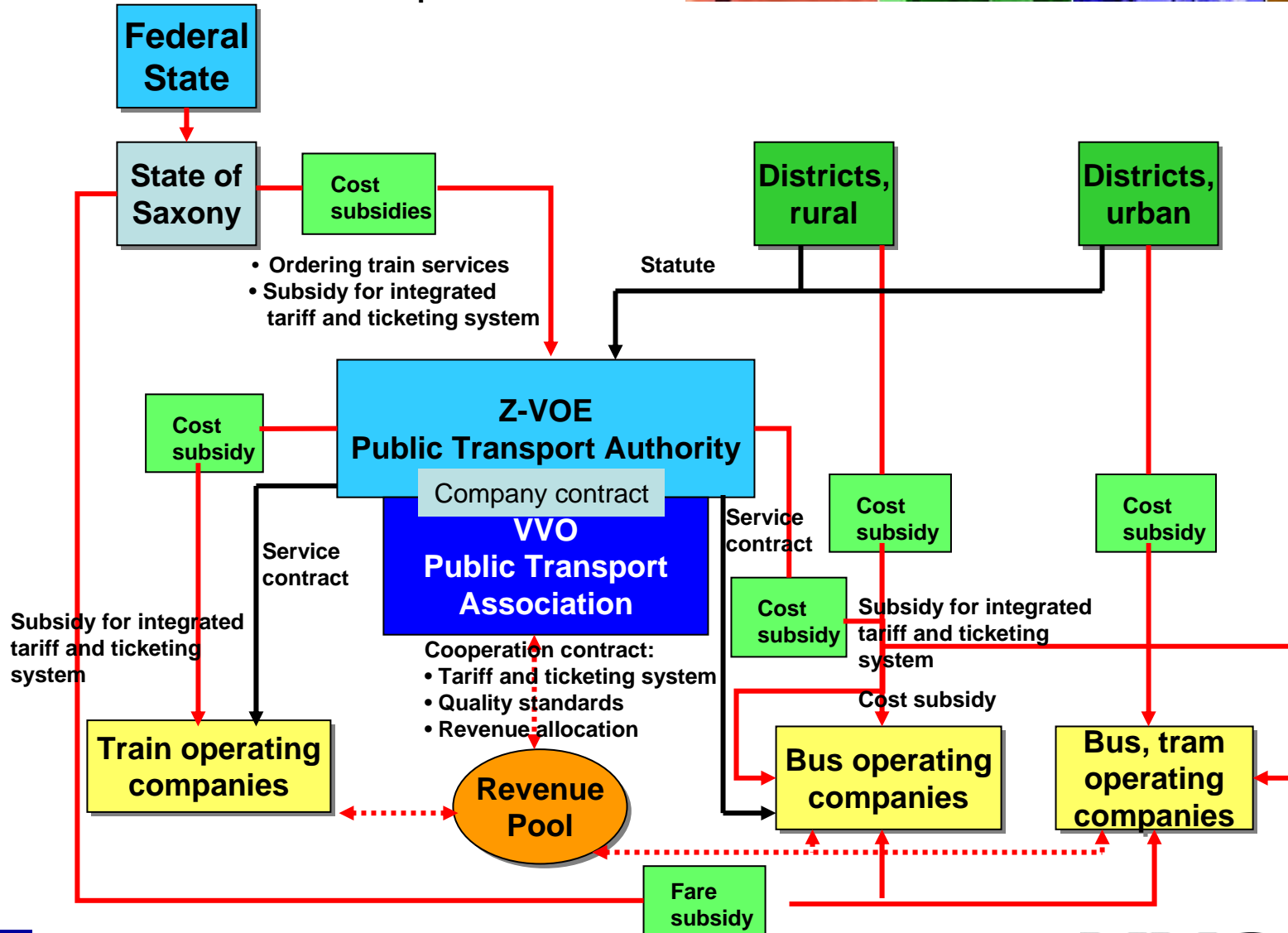
- VVO covers a region of 4.800 km<sup>2</sup> with 1,2 Mio. inhabitants and
  - 5 rural counties
  - 2 cities
  - 3 rapid transit railway lines (S-Bahn)
  - 21 regional railway lines
  - 2 narrow gauge railways
  - 208 regional bus lines
  - 66 urban bus lines
  - 13 tram lines in the city of Dresden
  - 19 ferries crossing the river Elbe





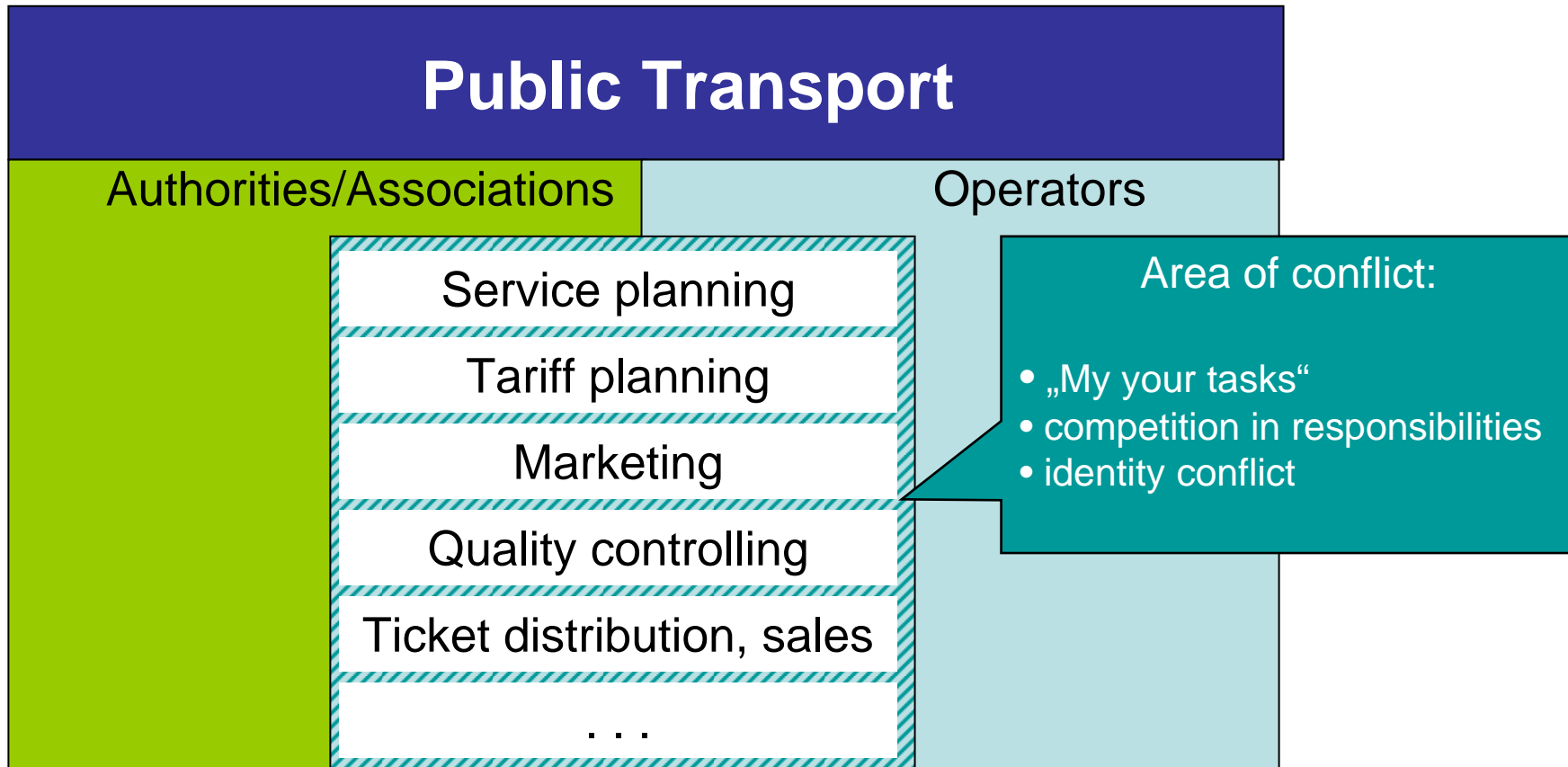
# Positioning of VVO within Three-level-model







# Co-operation between VVO and operators



**Targeted co-operation (virtual company)**

**Regulation instruments (co-operation contract, service contracts, regular task forces)**



## Co-operation between VVO and operators

- **Co-operation contract** between Z-VOE and actual 15 operators regulates the integration of public transport and the coordinated work between the Z-VOE, the local authorities and the operators
- Rules concerning Marketing, basic quality standards, revenue allocation
- New operators have to sign the co-operation contract (it is also part of bidding/tender documents)





## Co-operation between VVO and operators

### Transport-Service-Contracts between Z-VOE/VVO and operators

- Actual 2 contracts for railway services
- Actual 1 contract for tramway services
- Actual 10 contracts for regional bus services (compensation of cancelled railway services)
- With introduction of competition large number of new contracts
  - Description of required performance in mobility and service
  - Process of ordering the several rail services
  - Quality standards (staff, vehicles, stations etc.)
  - Tariff, sales/ticket distribution, marketing
  - Reports, report periods of the operating company
  - Evaluation of services and its quality, penalties for bad service, bonus for good s.
  - Prices, modality of financing, Accounting of railway services



## Co-operation between VVO and operators

- Regular task forces as a platform and know how pool for operators and VVO
  - Task force marketing/tariff
  - Task force schedule
  - Task force revenue allocation
  - Meeting of General managers



**ensuring tradition...**



**...designing future**

**Thank you for your attention.**



## **Results from the inquiry**

- **Are there any results → question to Rapp**



## **Discussion of results (inquiry)**



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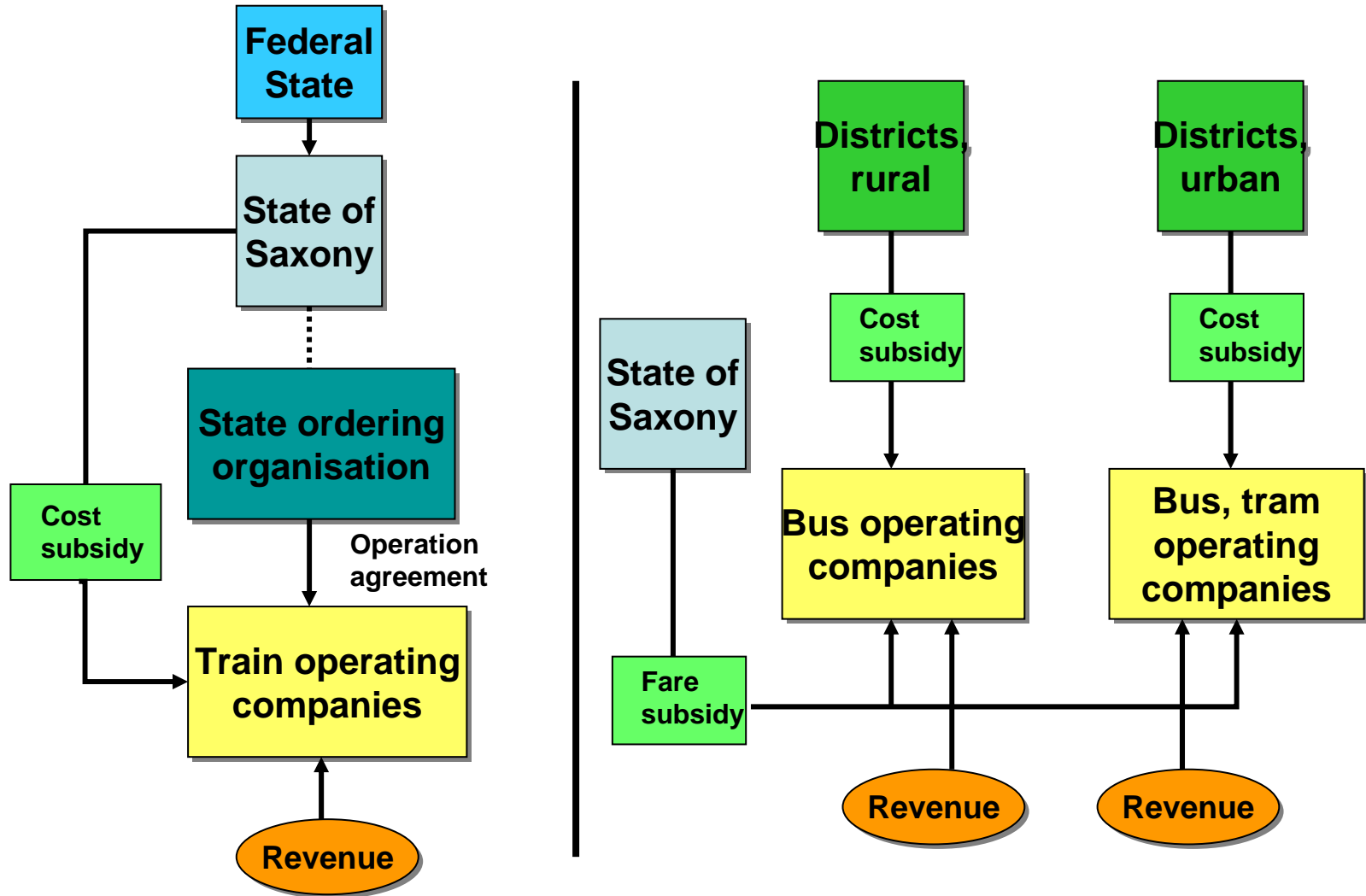


## Structure for group discussion

1. Is there an optimal organisation model, which provides success and „well being“ for customers, operators and authorities?
2. Is there an optimal “task sharing” between authority and operator?  
Which power a authority an which power an operator should have?
  - E.g. authorities power for concessioning
  - E.g. operators power for sales/Ticket distribution
3. What kind of PT service contracts do you prefer (gross-, net cost, incentive contracts)?
4. Due to the development of regulations and self-conception of authorities, which way PT organisation might go in your country?
5. Which wishes/requirements authorities have adverse operators?
6. Which wishes/requirements operators have adverse authorities?



## Reserve sheets





## Financing Decree

- Regulates transfer of money from German law of regionalisation to the 5 public transport associations
- Defines finance quota of every association concerning the respective share of the rail services volume
- describes the goals and the way of using the finances e. g. for subsidizing rail and bus services as well as supporting infrastructure-investments



## Basic contract (Grundvertrag)

... between State of Saxony and Z-VOE defines main tasks of the Z-VOE concerning planning and organisation of public transport

- Basic public transport planning and environmental goals
- Possibility of establishment of a Public Transport Association (VVO GmbH) to enforce the defined goals
- Development of an integrated public transport system – installation of an integrated ticketing system, unitary sale and marketing
- State-subsidy for implementation of an integrated ticketing system (financing of harmonisation losses and check-through losses)



## Frame contract

- . . . between State of Saxony and Z-VOE regulates the transfer of responsibility for rail services
- Z-VOE get the full responsibility for the regional transport on rail
  - Framework for the financing of rail services
  - Conditions concerning financing and ordering of new rail services, especially rapid mass rail transport (S-Bahn)
  - Conditions concerning financing of narrow gauge railways
  - Conditions for new infrastructure projects and for furtherance of vehicles



## Company contract of VVO Ltd.

- 100 % subsidiary of Z-VOE
- Founded for more efficient work according private law
  - Purpose and responsibilities of company
  - Share capital and financing of company
  - Bodies of company (shareholders meeting, supervisory board, management board)
  - Organisation and responsibilities of bodies
  - Audits and audit division