



## WG 3 Market Organisation

4-5 October, Zagreb, Croatia

2nd Working meeting on  
Institutional framework and cooperation

# Part 3: National, regional and local regulation

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## **Programme Part 3 (09:30-11:00)**

- Introduction/Overview
- Results from the Inquiry
- Presentation by Mr. M. Quidort (Veolia France)
- statement of each expert
- Group discussion



## National, regional and local regulation

- determines the way in which Public Transport services are
  - designed
  - planned
  - produced
  - financed
- covers organization (responsibilities), steering (planning) and financing on the different administrative levels (national, regional, local)
- **Transparent and binding rules for the allocation of responsibilities (financial and others) and sharing of risks between different actors is an indispensable tool for the successful management of PT.**



## Usually regulated issues (results from inquiry):

- general responsibility of the public for PT (85%)
- the right of initiative (85%)
- the process of contracting PT services (85%)
- conditions for tendering (70%)
- compensation mechanisms, e.g. for tariff reduction (70%)
- division of responsibilities among levels of authorities (70%)



## Issues regulated rather seldom (only 2 out of 7):

- minimum amount of PT services provided
- coordination of interregional, regional and local PT
- rules for financing infrastructure, equipment and operation
- possibilities for authority to finance PT supporting measures



## Example: city of Chur (Grisons, Switzerland)

### 3 administrative levels:

- state
- canton (=region)
- municipality

### Who is responsible for PT provision?

- **Long distance trains:** state/federal railway
- **Regional PT** (rail and road): regions (but 2/3 paid by the state) or traffic union appointed by the region
- **Local PT:** municipalities (sometimes supported by the region)



## Example: city of Chur (Grisons, Switzerland)

### National level (7 different laws)

- Division of power and responsibilities between different levels of authorities for different levels of PT (modes, national, regional or local transport etc.)
- Process of awarding PT concessions and the resulting obligations of concessionaires
- Responsibility of public authorities to provide (and finance!) national and regional PT
- Minimum amount of regional PT that has to be provided
- Administrative process of contracting regional PT services including the compensation model for non-cost-covering services



## Example: city of Chur (Grisons, Switzerland)

### National level (various laws)

- Compensation rules for fare reductions and tariffs imposed by the authority
- Conditions for tendering regional PT (partly)
- Accounting principles for operators benefiting from public contributions
- Financing rules for infrastructure, equipment and operation
- Coordination of interregional, regional and local transport including promoting measures for tariff unions
- Annual process of national timetable coordination (for interregional and regional PT)



## Example: city of Chur (Grisons, Switzerland)

### Regional level (PT Act Canton of the Grisons, 1993)

- implements the national law on regional PT
- details the criteria for the **minimum and maximum amount of PT** provided
- divides **responsibility**: local and regional PT - municipality and region
- stipulates the setting up of a **PT commission** that advises regional government on PT issues
- demands operators to **cooperate**
- grants financial support for PT supporting measures such as bus lanes or **tariff unions**
- gives regional authority the right to **force operators to participate in tariff unions**
- regulates the procedures for **timetable coordination**



## Example: city of Chur (Grisons, Switzerland)

### Local level (“law on environmentally sound and human transport”, 1992)

- the city (itself or through a contractor) provides the necessary **amount of local PT**
- the city **plans** and **steers** local PT (based on a mid-term concept) and **promotes** it
- **timetables** should be in equal interval
- **PT is principally treated preferentially** against individual transport (traffic lights, bus lanes)
- the city **offers cheap seasonal tickets** (for regular users, families, kids, elderly)
- timetables have to be **coordinated** with neighboring operators
- the city seeks **cooperation** with other bus and rail operators, neighboring communities and other partners **in order to establish a regional PT network including a tariff union with integrated timetables**



## Example: city of Chur (Grisons, Switzerland)

### Summary

- decentralization and subsidiarity
- PT regulation at all 3 levels (national, regional, local)
- Every region has its own regional PT Act (and sometimes additional laws) that implement and detail the national laws
- PT integration and cooperation is regulated at all 3 levels
- the support of tariff unions is stipulated in most – if not all - regional laws



## Results from the inquiry (I)

**Lack of adequate legislation for regional and local PT?**

**85% YES**

15% NO

**On which level?**

**70% national level**

30% regional level

15% local level

**85% of all countries plan changes in the legal framework**



## Results from the inquiry (II)

### Main problems with current legislation (mentioned more than once):

- **missing rules for integration** of PT (local, regional, national):
  - coordinator/integrator lacks legal power
  - local and regional authorities are forced into competitive positions
  - different modes (bus, tram, trolley, metro, rail) are regulated by different laws which hinders integration especially in large cities
- **unclear responsibilities of actors** (planning, financing)
  - missing rules for financing infrastructure and for state subsidies
- **unclear procedures for awarding contracts** and setting the transport schemes



## Key questions for group discussion

- Situation in each city/country? Examples and statements of each expert
- Which issues must be regulated necessarily (at which level)?
- How much regulation is needed – more or less?
- Which regional laws make sense under what circumstances?
- How detailed should the regulations be?
- How are the different issues regulated in practice (examples)?
- Centralized or decentralized regulations – what to prefer?
- What are the barriers for implementing the necessary regulations?  
(transferability of examples)



## National, regional and local legislation

- national legislation sets the overall framework for PT service provision
- supplementary regional law is enacted in some states (A, I, CH)
- trend towards regionalization
- Local level authorities are usually responsible for planning, funding and control of PT within their area
- However, the local authorities' influence on rail transport is usually lower
- In many countries there is a striking lack of region-wide coordination of PT (absence of regional level authority with adequate legal powers)
- Tasks and responsibilities of different authorities are often unclear
- erratic interference of politics into the market



## Results from the inquiry (III)

### Further problems with current legislation (mentioned once):

- no national technical standards for payment by card technologies
- lack of effective enforcement of legal obligations
- law is not detailed/precise enough
- missing power of ticket inspectors against irregular passengers