



The Local Public Transport (LPT)

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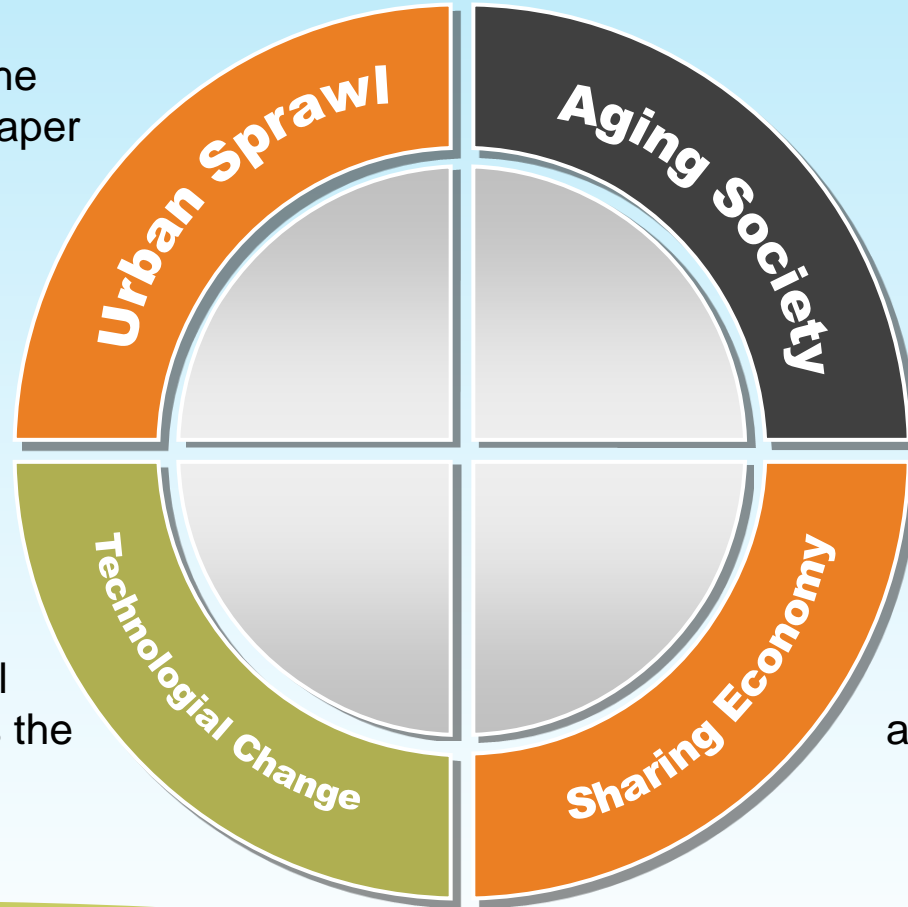
Critical Drivers of Supply and Demand

People move outside the city centers due to cheaper transportation prices
-> new routes

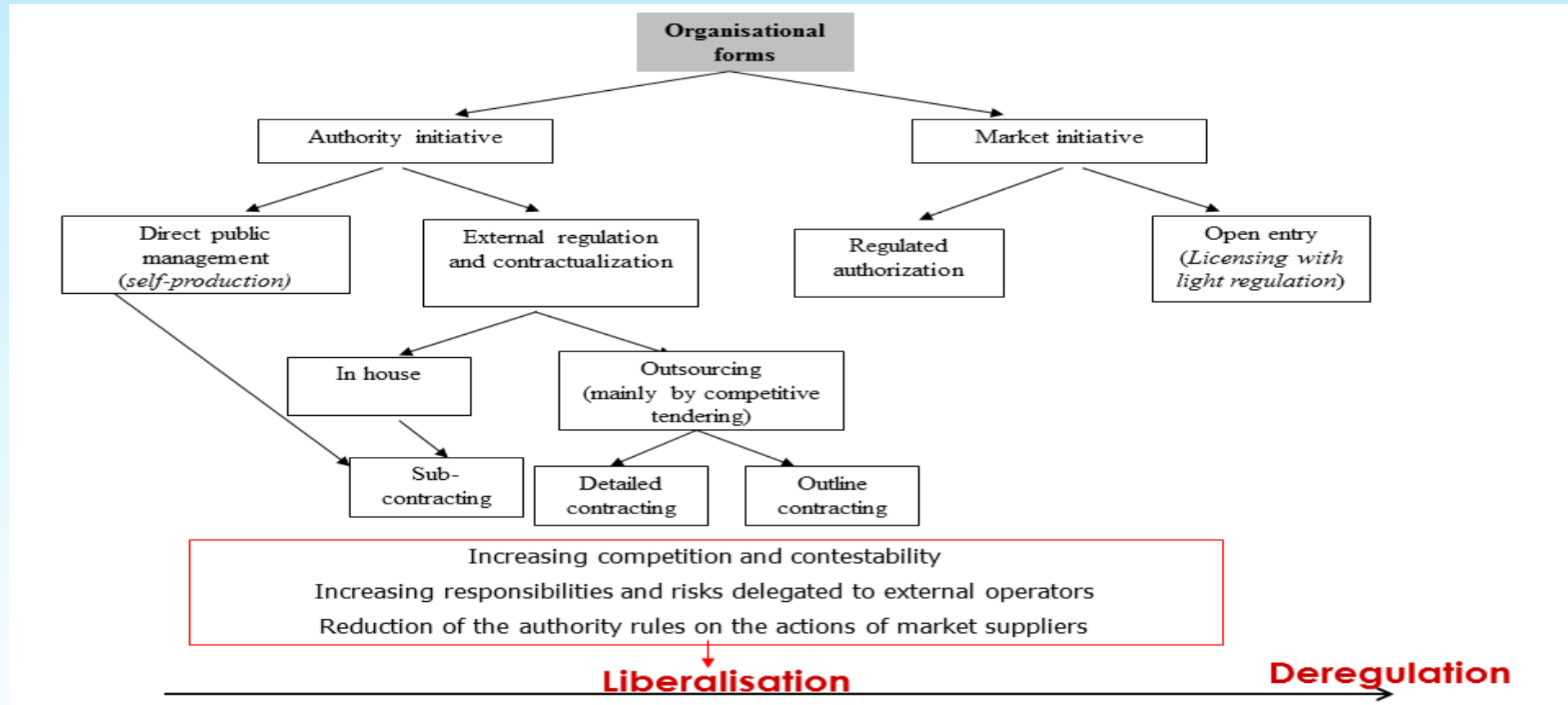
Life expectancy increases while quality of life depends on possibility to commute
-> adaption to needs of elderly people

ICT enables intermodal services and increases the demand for mobility by making information accessible.
-> more capacity and intermodal offers

Sharing transportation allows more efficient and environmental friendly usage.
-> integrate sharing in intermodal offer



Modes of exploitation and allocation



Main policy reform promoted by the EU

EU Regulation 1317/2007

- conditions in which authorities can intervene in the area of LPT
 - to guarantee the provision of SGEI and to ensure provision of public transport services
 - offering higher service frequencies, better quality or lower fares **than the market would otherwise provide.**
- More specifically:
 - **Compensation** of the service provider if the authorities decide to intervene
 - mechanisms to be applied to **award public services contracts to third parties other than an internal operator** by means of transparent and non-discriminatory competitive procedures which may be subject to **negotiation.**
 - competent local authorities may provide public transport services **themselves** or assign them to **an internal operator over which they have control** comparable to that over their own services.

Member States implementation of Regulation 1317/2007

- Report of Commission EU (02/2016; - “Study on economic and financial effects of the implementation of Regulation 1370/2007 on public passenger transport services”)
 - Regulation has affected the approach to service provision of the Member States
 - in a limited number of member states the Regulation has allowed a **more flexible approach** to the award of contracts than was previously the case under the relevant national legislation
 - **E.g.: in Italy it is now possible to award contracts directly** whereas formerly authorities were obliged to procure services through competitive tender.

European Comparison I

predominant public initiative



formally market initiative but dominated by authority owned companies



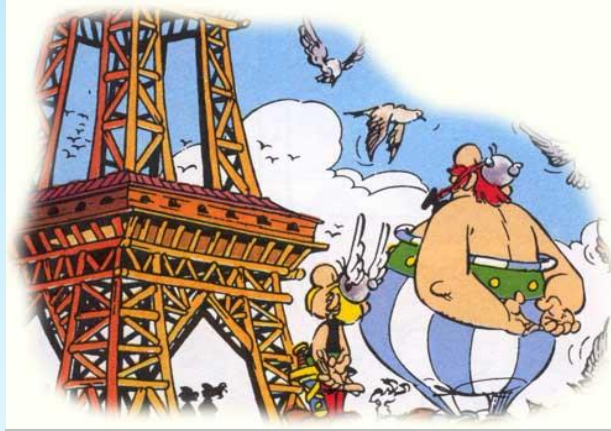
full de-regulation, open entry market initiative



European Comparison: Examples



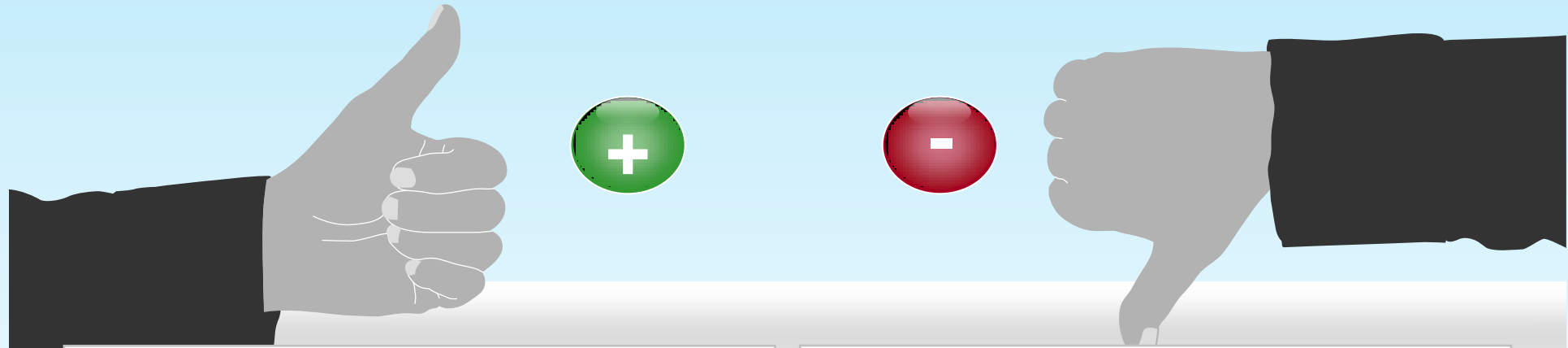
- mostly public providers



- services of local transport are under the responsibility of regions
- delegation of public service with a private operator is the privileged choice (90%) in the awarding procedures



- 1985: full deregulation outside London and Scotland
- In 33 Municipalis around London there is different Management



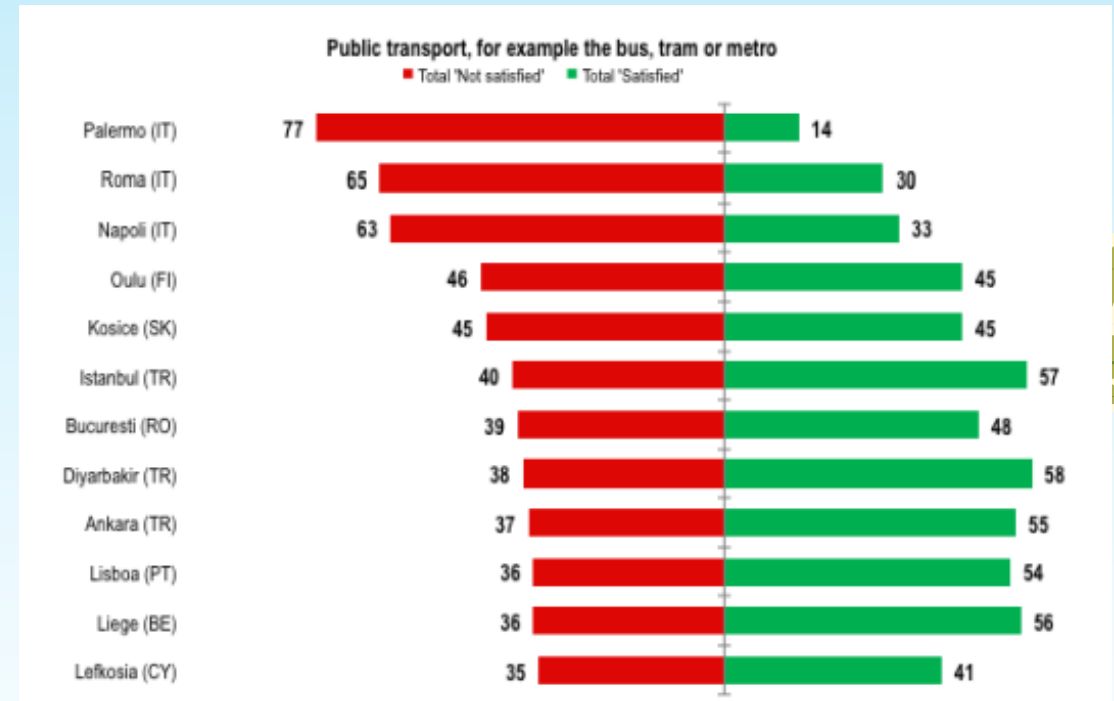
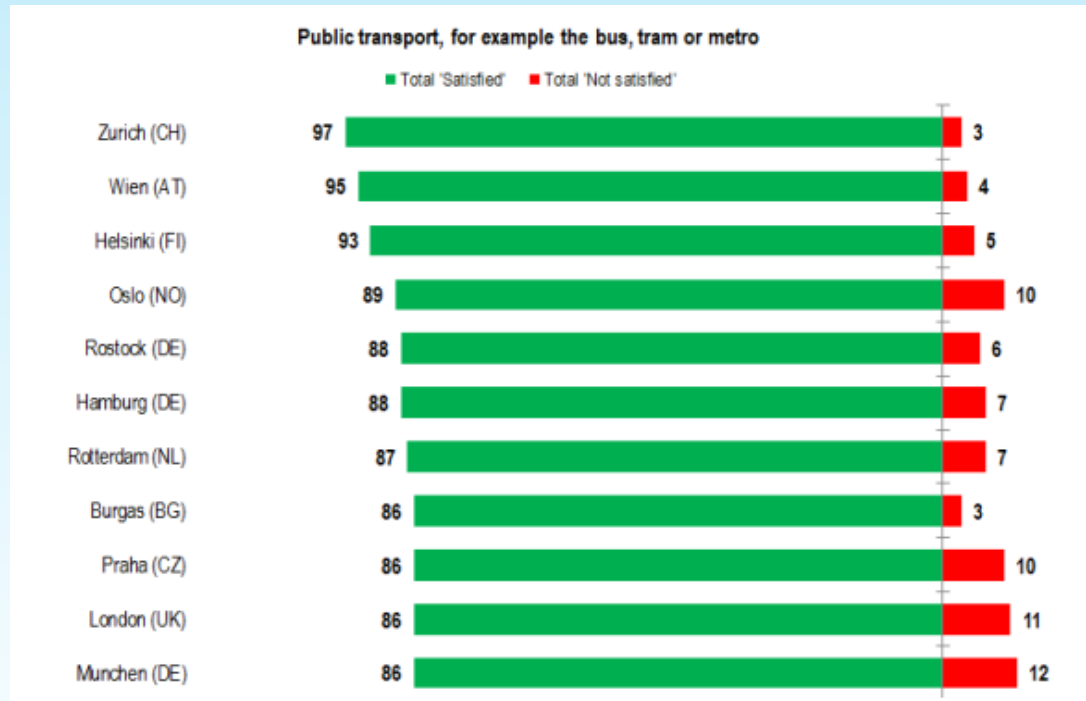
Advantages of public ownership

- higher accessibility of service
- More equitable prices
- Increasing safety of supply
- higher coverage in not profitable areas

Disadvantages of public ownership

- Inefficiency/ no incentives to become more efficient
- No strict separation of roles and interests between regulators and providers
- responsibility and risk allocation on the public government
- High level of subsidies

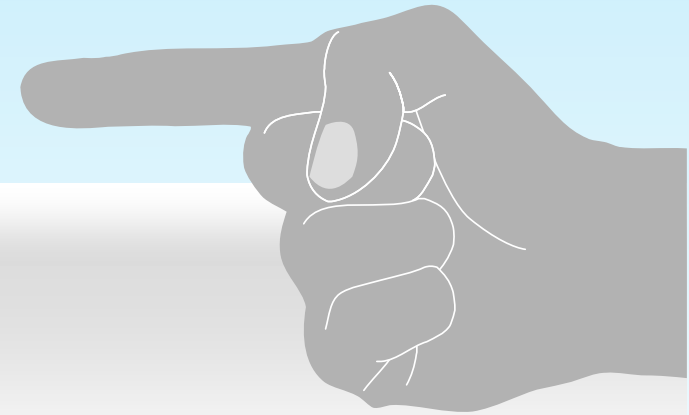
Have the EU citizens been well served? Good and Bad Examples of Member's State policy experience



Source: Eu Commission, Flash Eurobarometer, Quality of life in European cities 2015

Conclusions - Perspectives

- **No “magic recipes” for success:** successful or not implementation of a policy reform is case-sensitive
- **people are not really concerned about the governance form,** the institutional settings and the contractual details. They want a local public transport system, characterized by efficiency, equity, sustainability and feasibility. Local institutional **authorities should inspire trustworthiness** to their citizens.
- Establishing a sustainable urban transportation system to meet the changing mobility needs of citizens requires a **comprehensive** and **integrated** approach to policy-making and decision-making, with the aim of developing affordable, economic viable, people-oriented and environment-friendly local public transport systems.
- New approaches and tools are essential to support European cities in facing their demanding futures, some promising among which are: Public Private Partnerships (PPP) initiatives, **Value Capture Finance** etc., Willingness to Pay as an estimation method



Thank you for your attention!



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