

EUSERS SUMMER SCHOOL

Performance and Governance of Services of General Interest.
Critical perspectives on Energy, Telecommunications, Transport and
Water Reforms in the EU
June, 27th – July 1st 2016

Rail Sector: Current Challenges and Developments

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Agenda

1

Overview of Network
Industries

2

Rail Sector:
- EU regulatory action
- Country-level actual
implementation

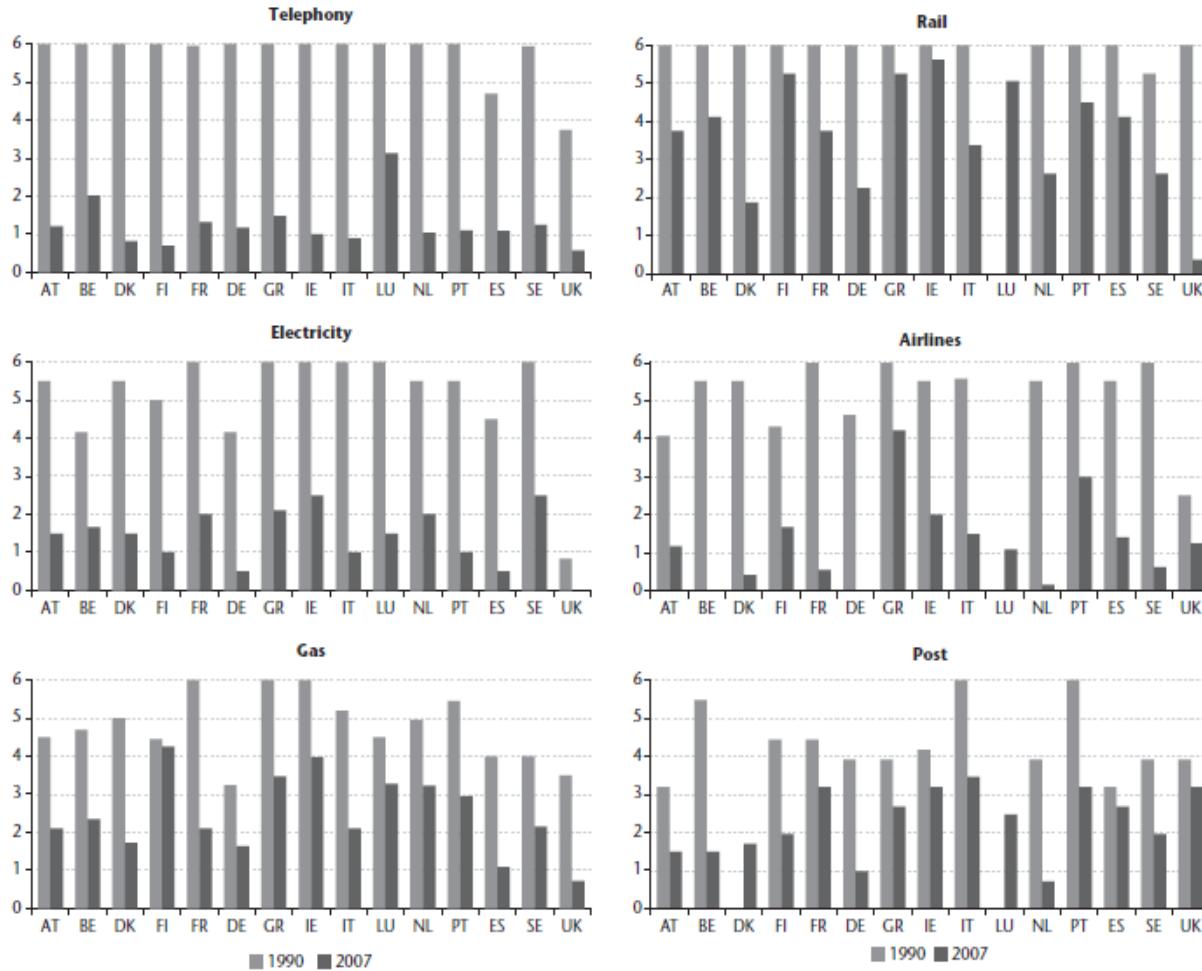
3

Empirical Insights

4

Conclusions

Network Industries



Telecommunication, electricity and airlines: quite effective process of regulatory convergence

Postal services and gas: limited convergence

Rail: government-owned monopolistic structure

EU Regulatory Innovation

EU has decided to launch the reform with a view to create a single efficient and competitive market for rail throughout Europe.



Unbundling regarding
infrastructure and service
level

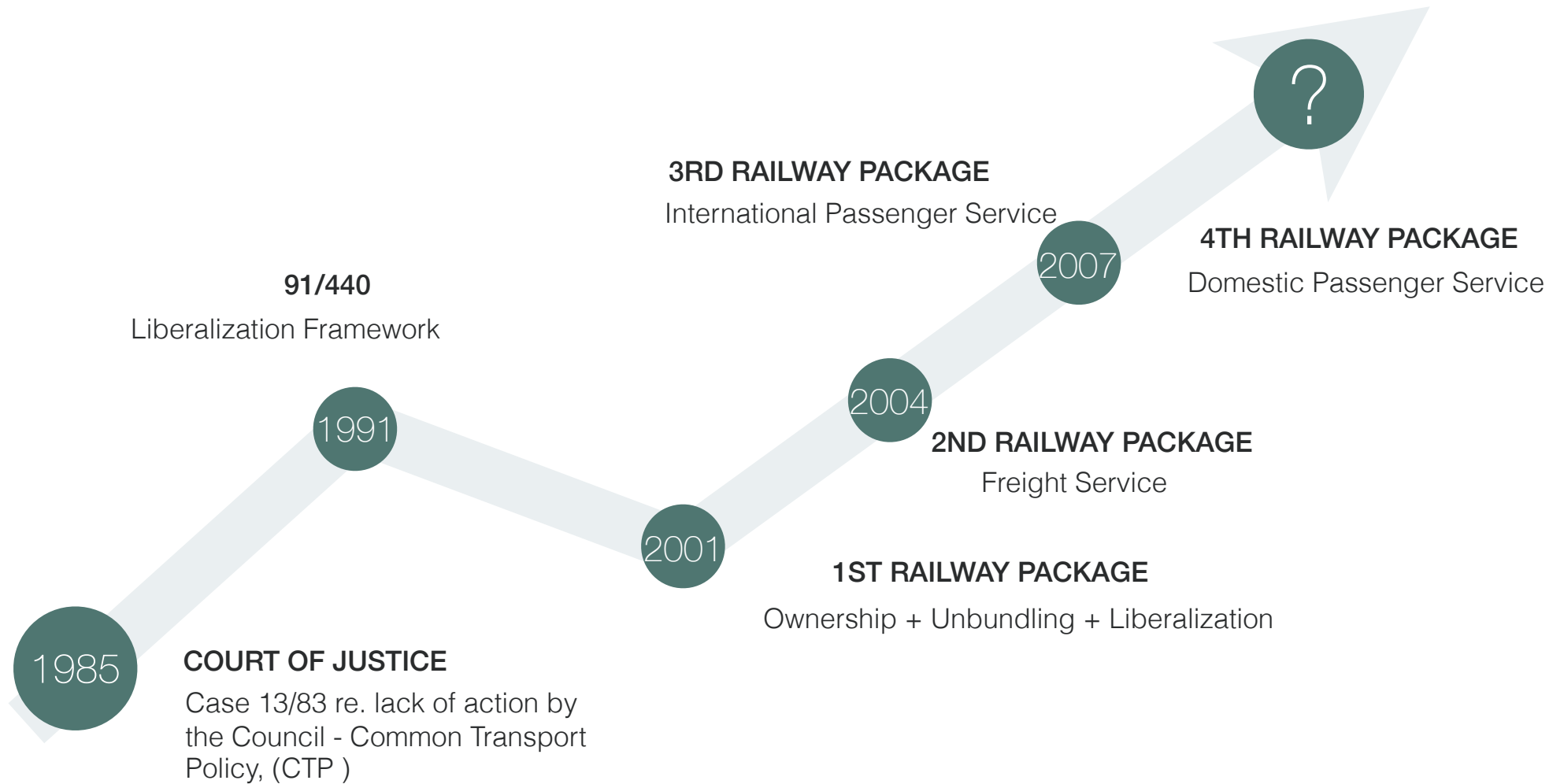


Liberalisation of the rail
services



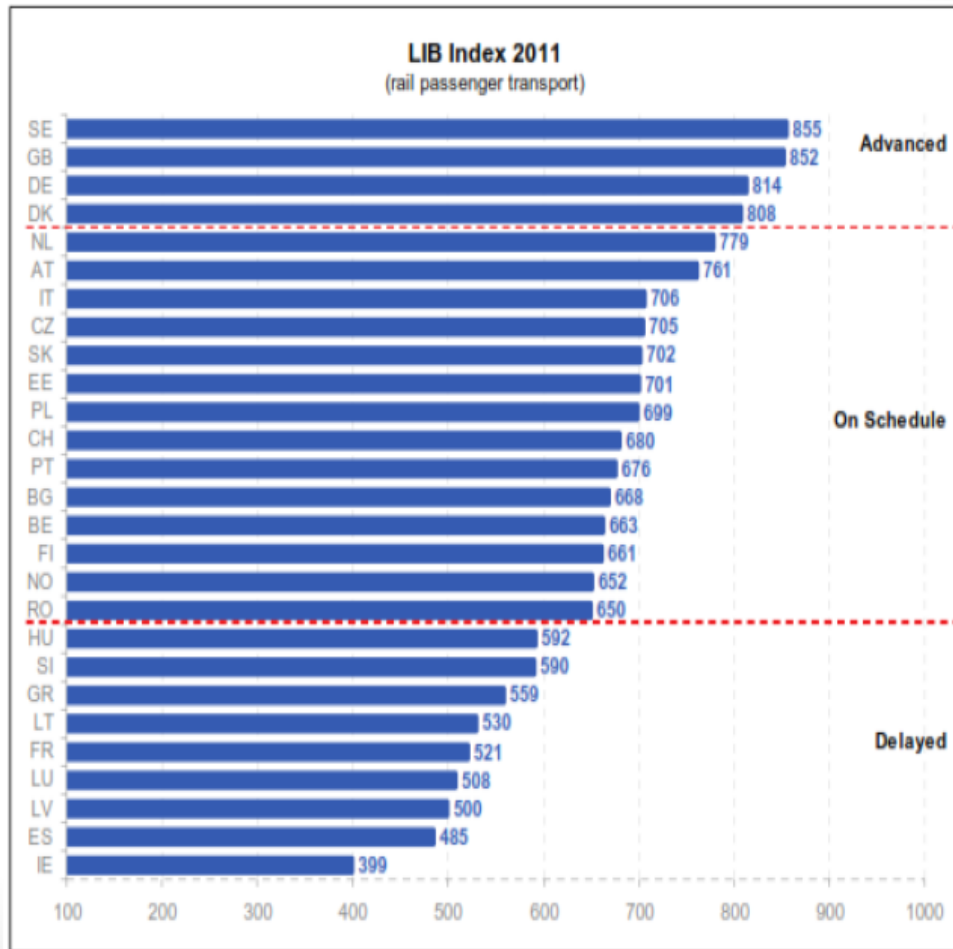
Creation of the
common and
intermodal transport
market

Regulation TimeLine

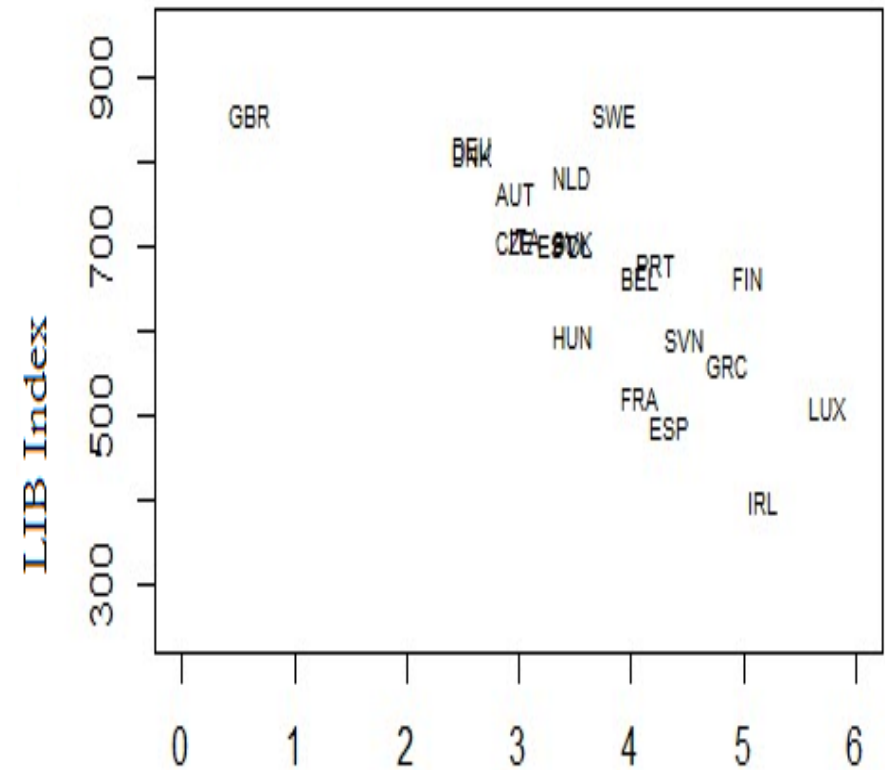


Implementation Status

Rail reforms: implementation status



LIB index VS ETCR indicator



Country-level Implementation

State: owner, planner, client and regulator

Owner	Network Manager	Service Operator	Domestic Market
			Open
			Open
			Closed
			Closed

Empirical Results 1/2

Determinants for the Price of Passenger Railway Services

=====	
	Dependent variable:

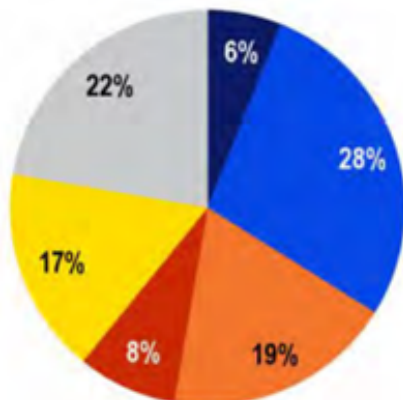
	PRICE_Passenger
-----	-----
REGULATION_Entry	-2.704*** (0.713)
REGULATION_Public_Ownership	-2.672** (1.288)
REGULATION_Vertical_Integration	-8.183*** (1.162)
REGULATION_Market_Structure	-0.095 (0.825)
KILOMETER_Passenger	-0.197 (0.272)
PRICE_Overall	0.059 (0.046)
GDP_PPP	0.00004*** (0.00001)

Observations	363
R2	0.500
Adjusted R2	0.455
F Statistic	47.183*** (df = 7; 330)
=====	
Note:	*p<0.1; **p<0.05; ***p<0.01

Empirical Results 2/2

QA8.2. In your opinion, has the quality of the following means of transport (services, connections, infrastructures, etc.) improved or deteriorated in (OUR COUNTRY) in the last 5 years?

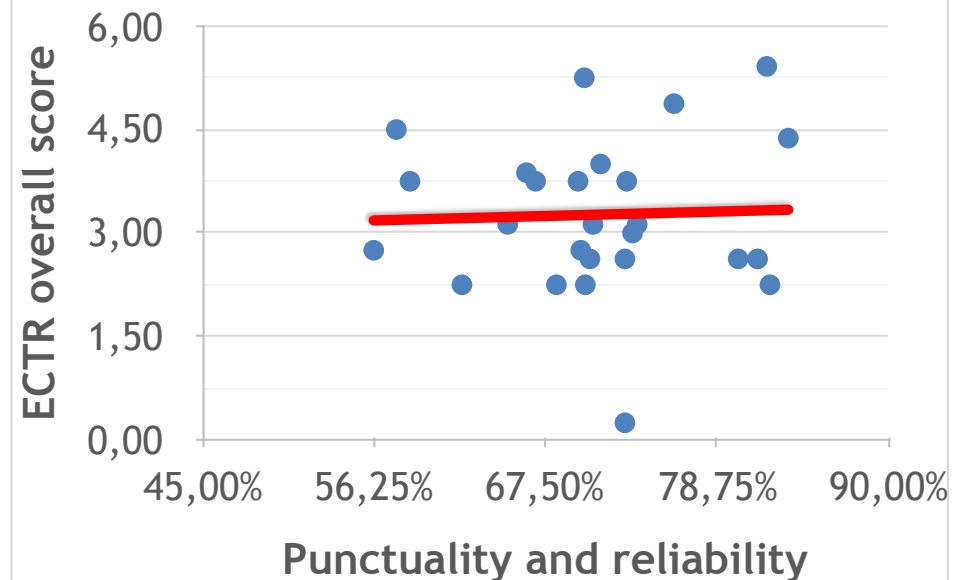
Rail transport



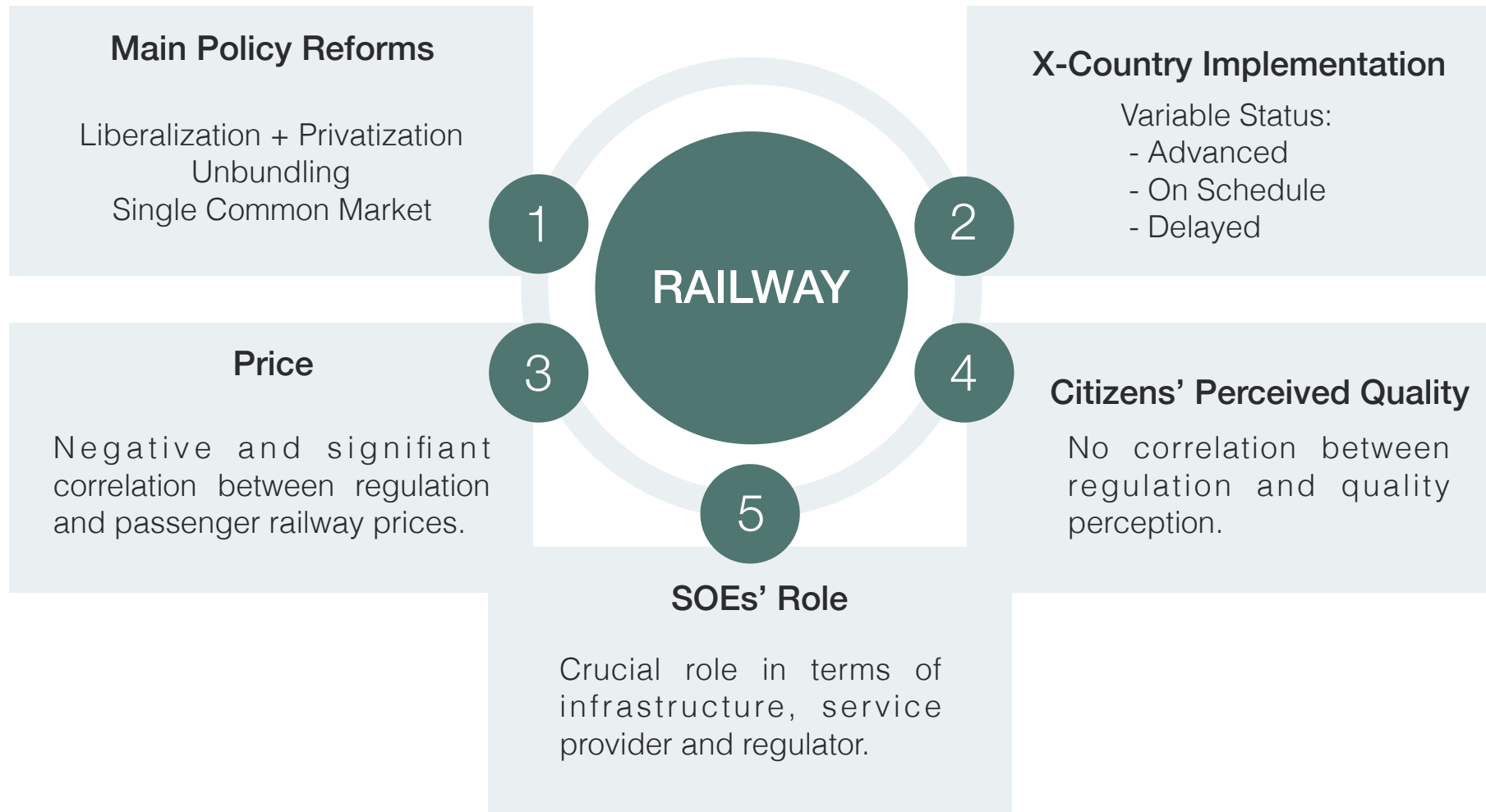
- Improved a lot
- Somewhat improved
- Somewhat deteriorated
- Deteriorated a lot
- Stayed the same (SPONTANEOUS)
- Don't know

Base: all respondents except MT and CY (N=26,865)

Punctuality and Reliability vs. ECTR Overall Score



Conclusions



Empirical Results (back-up)

Dependent variable:		
	PRICE _Passenger (1)	INVEST (2)
REGULATION _Overall	-6.806 (8.736)	361.892 (240.307)
REGULATION_ Public_Ownership	-0.344 (5.060)	48.593 (119.016)
REGULATION_ Vertical_Integration	0.402 (3.493)	-444.995*** (133.781)
REGULATION_ Market_Structure	0.266 (2.604)	-265.819** (117.446)
KILOMETER_ Passenger	0.086 (0.390)	6.208 (24.032)
PRICE _Overall	0.938*** (0.126)	-13.329*** (3.744)
GDP _PPP	0.00001 (0.00001)	0.001 (0.001)
SUBSIDIES	0.019 (0.019)	
Observations	108	276
R2	0.604	0.249
Adjusted R2	0.458	0.225
F Statistic	15.624*** (df = 8; 82)	11.817*** (df = 7; 250)

Note: *p<0.1; **p<0.05; ***p<0.01