

Summary:

# Institutional organisation and financing of public transport in 11 European countries

This report provides a brief overview of the institutional organisation and financing of public transport in the 11 European countries Denmark, Finland, France, Italy, the Netherlands, Norway, Portugal, Sweden, Great Britain, Germany, and Austria.

For each country the state of the art of the way public transport sector is organised and the new "rules of the game" (understood as allocation of risk and responsibility for revenues, costs, organisation, planning management, and production) are described. Focus is kept on railway and local public transport services.

The responsibility for organising and initiating public transport services can either be allocated to the market or to the authorities. Figure S.1 provides a schematic illustration of how public transport is organised in selected countries.

In a system of *market initiative* the market is either deregulated with competition in the market, or based on licencing schemes in which the authorities grant private or public operators (exclusive) rights to operate -with revenue risk- on a commercial basis. In several countries a licencing scheme dominates. Only in Great Britain, a system of free competition exists.

In a system of *public initiative* the authorities have the primary and formal responsibility for designing the network. This may be organized in

several ways. A distinction is made between organisational forms where the public authority produces the service by itself and forms where private actors are the producers. Table S.1 and S.2 provide schematic summaries of actual organisation in selected countries for public transport and railways.

In a *franchise system*, the authority delegates both the administration and the operation to a private operator. Often this is done through a Public Private Partnership (PPP). In France, such organisation of large projects have increased in number. The PPP contract is usually tendered.

*Centralised planning* seems to be a much used form of organisation in public transport. This organisation implies that the organising authority makes the plans for the provision of the services. The operation of the services may be tendered or purchased directly from an operator.

In some French regions, a system of *delegated management* exists. The public authority owns much of the rolling stock and delegates the administration and operation of this. The contracts may be tendered.

The extreme within the group of public initiative is where a *public company* is in charge of the production. Most countries seems to be leaving this form. However, it still dominates the railway sector.

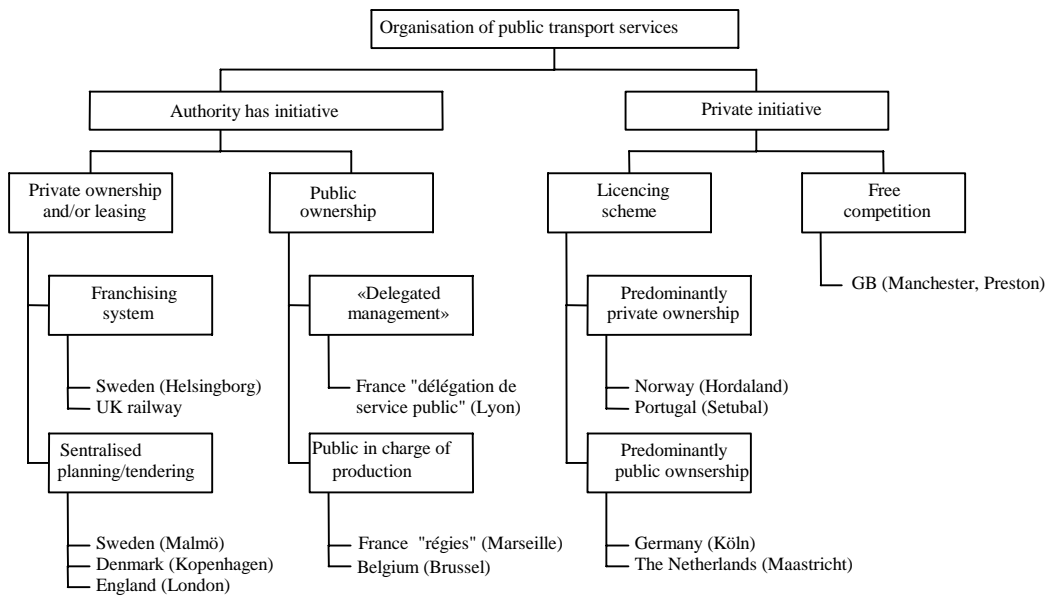


Figure S.1: Different forms of organisational systems, in relation to the source of initiative. Based on ISOTOPE (1998).

Country	Authority has the initiative				Private initiative	
	Public ownership of the producer		Private ownership of the producer		Licensing scheme	Free competition
	Public ownership	"Delegated management"	Centralised planning (tendering)	Francising		
Denmark	(X) Århus and Odense		X			
Finland	(x) Tampere		X Most of the large cities (Both tendering and direct purchases)		X Some other cities.	
France	x (Régies)	X Urban areas outside Paris	X Paris area, no tendering	x As PPPs for large projects.		
Italy			X Public tendering the rule in 6 regions			
the Netherlands			X		X Leaving this system	
Norway			x (Public tendering)		X	
Portugal	X				(x) For some local routes	(x) For long distance routes
Sweden			X Mainly tendering			
Great Britain			X In London			X Outside London
Germany			X For non-commercial routes. Limited use of tendering.		(x)	
Austria			(x)		X Dominated by public operators.	

Table S.1: Overview of organisational forms in local public transport and interregional buss routes. Based on MARETOPE 2000

Country	Authority has the initiative			Private initiative		
	Public ownership of the producer		Private ownership of the producer		Licensing scheme	Free competition
	Public ownership	"Delegated management"	Centralised planning (tendering)	Franchising		
Denmark	X The exclusive rights for the national railway company abolished in 2000.		X Non-commercial traffic only. Some tendering.			(x) Possible since 2000
Finland	X The national railway company has monopoly.					
France	X For the national railways.		(X) For regional railways. Some trials with tendering.			
Italy	X					
The Netherlands	X The national railway company has monopoly on the major lines.		(X) Some non-commercial regional lines are tendered.			
Norway	X The national railway company has monopoly.		(x) From 2003 some lines will be tendered.			
Portugal	X The national railway company has the main responsibility		(X) Some other operators locally.			
Sweden	X The national railway company has monopoly on commercial traffic.		X Non-commercial lines are tendered.			
Great Britain				X		
Germany	X The national railway company is the major actor.		(X) For non-commercial lines, 10% tendered.			(x) Entry free, but only 1% private companies
Austria	X The national railway company has monopoly.				(x) Some small companies.	

Table S.2: Overview of organisational forms in railway passenger transport. Based on MARETOPE 2000

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