

News from Europe

● Towards a European strategy for sustainable urban environment

The European Commission adopted on 11 January a Communication (COM(2004)60) setting out its ideas for the Thematic Strategy on the Urban Environment due in summer 2005. In this document, that is being submitted to a widespread consultation, the Communication sets out the problems and challenges facing Europe's urban areas, focusing on 4 priority themes : urban environmental management, urban transport, sustainable construction and urban design. The Communication recognises that towns and cities themselves are best placed to develop the solutions to the problems they face and proposes that the EU's role should be to establish a framework to support them in this task. The Commission invites comments on these ideas before 15 April 2004.

<http://europa.eu.int/comm/environment>

● From the second to the third «Rail package»

The second railway package, that aims to accelerate the opening to competition of the rail freight markets in Europe (see *EMTA News* n°13) was still being debated by the Conciliation Committee between the Council of Ministers of Transport and the European Parliament as this issue of *EMTA News* went to press. The Ministers and the Parliament still have differing views on key aspects of the package, such as the date of the opening to competition of the domestic rail freight markets (2006 for the Parliament vs 2008 for the Council of Ministers, supported by the Commission), and the possibility to include rail passenger transport in the scope of the package. Under the rules governing conciliation, the Committee has eight weeks to reach agreement, i.e. until 24 March, after which date the draft legislation becomes void.

In this context, the European Commission has prepared a third railway package, that contains draft regulations on a European certification for train drivers and on passenger rights in international transport, and a proposal about the opening-up of international passenger rail markets by 2010. This new regulatory package will now be discussed by the Council of Ministers of Transport and the European Parliament.

http://europa.eu.int/comm/dgs/energy_transport/index_en.html

● The European Commission proposes new rules to increase the legal certainty of services of general economic interest

Following the Altmark judgement of the European Court of Justice in July 2003 (see *EMTA News* n°14), and the Green Paper on Services of General Interest, the Commission (DG Competition) has started consultations to set out clear criteria for the assessment of compensations paid by Member States to undertakings providing services of general interest. The first proposal consists in exempting small scale public funding from the obligation of prior notification to the Commission. The funding of public services provided by hospitals and social housing would also be exempt from notification, irrespective of the amounts involved, like compensation payments for maritime transport to islands, (when annual traffic does not exceed 100 000 passengers). Another key proposal concerns the definition of criteria for the larger scale compensation payments, which remain subject to the obligation of prior notification. In this case, if a compensation scheme does not comply with the «Altmark» criteria, the payments must not over-compensate the cost of providing public interest services.

These proposals will now be discussed by the Council of Ministers and the European Parliament.

http://europa.eu.int/comm/dgs/competition/index_en.htm

● The European Commission proposes a new Directive to ensure that Member States save each year at least 1% more energy

The Commission released in December a draft Directive aiming to boost the cost-effective and efficient energy use in the EU. The proposal sets a framework with common definitions, tools, methodology targets and obligations, both for the public and for the private sectors. The Directive sets a target of energy saving of 1% per year, that will have to be registered from the following sectors: households; agriculture; commercial and public sectors; transport and the industry. All types of energy will be taken into account from electricity and natural gas to district heating and cooling, heating fuel, coal and lignite, forestry and agricultural energy products and transport fuels.

Member State public sectors will have to make a particular contribution to reaching this overall target as they would need to save at least 1.5% energy a year, notably thanks to energy efficient public procurement. This savings would also contribute to the general yearly savings target of 1%.

This draft Directive has been transmitted to the Council of Ministers and the Parliament.

http://europa.eu.int/comm/energy/en/fa_2_en.html

News from companies

● Carris : reduced financial losses and transfer to the city of Lisbon in the pipe

Carris, the state-owned company operating the bus, tramways and funiculars of the Portuguese capital city expects losses of € 6 million in 2003, after a record deficit of € 90 million in 2002. The company plans to cut 1,200 jobs, out of a total of 4,000, by 2005, so as to curb its deficits, and thus its debt, which amounts to € 280 million. In this context, the Portuguese government plans to transfer the ownership of the company to the Municipality of Lisbon before the end of the year.

www.carris.pt

● GTT : a new public transport company for Turin

GTT (Gruppo Torinese Trasporti), the new transport company of the metropolitan area of Turin (1.5m inhab) was founded in January 2003 by the merger of ATM, the former municipal transport company of Turin, and SATTI, a company operating inter-urban lines. The new company, which employes 5,000 staff members, has a turnover of € 800 million. It is divided into a holding company, and three transport divisions (urban transport, rail transport and infrastructures and engineering). GTT operates 8 tramway routes, 100 urban bus lines and 73 regional bus lines, and 3 railway lines, and is responsible for the building of the first metro line, that will be inaugurated in the second semester 2005.

<http://www.comune.torino.it/atm/gtt.htm>

● RATP : first contracts outside Paris

RATP, the French state-owned company operating public transport systems in the central part of the Paris metropolitan area (turnover of € 2.9 billion, 42,000 employees) won over the past months several contracts, the first ones outside its core territory. It was awarded, last Autumn, a three-year contract to assist the operation of the regional railways in Athens, a 260km long network of 3 routes, including the new line that will serve the airport. The company also won, through its subsidiary Eurailco, jointly owned with Transdev, a contract with the transport company of the German city Düsseldorf for the operation of regional rail services, and the 30 year concession contract for the building and operation of the new tramway of Florence (3 lines for a total length of 29.5km, that shall be inaugurated in 2007).

RATP will bid for the contract of operation of public transport systems in Lyon, the second largest French urban area (1.3m inhab.), that is currently operated by Keolis, and is candidate to operate the public transport systems in Toulouse (700,000 inhab.).

www.ratp.fr

News from the cities

● Fare integration leads to increased patronage in BARCELONA

Since the beginning of the implementation of fare integration in the metropolitan area of Barcelona (4.5m inhab) in 2001 by ATM, the public transport authority, passenger traffic has grown by 17.4%. In 2003 alone, 30 million additional passengers used public transport, that is to say an increase by 3.7% vs 2002. The strongest increase occurred for urban bus traffic (+5.2%), followed by the regional railways of Catalonia (+4.2%).

In 2003, the sales of integrated tickets increased by 11.2% vs 2002, illustrating the attractiveness of these tickets enabling to travel on metro, buses, and regional railways. Tickets enabling 10 trips, sold at the price of € 6 for trips inside Barcelona, account for 76% of all integrated tickets sold.

www.atm-transmet.org

● Introduction of electronic ticketing in BILBAO

BARIK (meaning « without » in Basque language), as is called the new electronic ticketing project for the metropolitan area of Bilbao (1m inhab.), was launched in February in the context of a pilot scheme. 4 metro stations, and 3 bus lines are used for this experiment that aims to check during 6 months that everything goes all right before generalisation to all ticket holders. The cards can be refilled both in metro stations and in bank automats, illustrating the co-operation between transport organisation and financial institutions. 650 persons of different age and travelling habits take part in this pilot phase, whose cost, estimated at € 0.6 million, is funded mainly by the financial institutions involved in the project.

www.cotrabi.com

● Loans granted by the European Investment Bank to support public transport development in BRUSSELS, DUBLIN, and STOCKHOLM

The European Investment Bank announced over the past months that it will grant loans to support the development of public transport systems in the following cities :

- **Brussels:** a long-term loan of € 250 million has been granted to STIB, the public transport company of the Belgian capital city, so as to modernise tramway infrastructures and renew its rolling stock (purchase of 15 metro cars, 46 tramway cars, 360 buses and 32 articulate buses). The total cost of the project amounts to € 565 million.

- **Dublin:** a € 60 million loan has been granted to the Rail Procurement Agency, which is responsible for building

the tramway project (LUAS), that shall improve the mobility conditions in the Greater Dublin Area as of 2004 (See EMTA News n°8).

- **Stockholm:** a € 108 million has been granted to the County of Stockholm to fund the acquisition of 70 metro units. 125 units were already funded by EIB loans in 2001 and 2002. These new metro cars (so-called Vagn 2000) will replace obsolete rolling stock on the oldest part of the network, with quieter, more energy-efficient vehicles.

www.eib.org

● Setting up of metropolitan transport authorities under way in LISBON and PORTO

The Decree-Law of 28 October 2003 set up Metropolitan Transport Authorities for the Portuguese two largest cities: Lisbon (2.7m inhab) and Porto (1.3m). Commissions bringing representatives of the Portuguese government and of local authorities started in January the work to define the statutes, missions and financial resources of these new structures, that will have the difficult task to provide integrated transport policies, services, and fares for many stakeholders (23 operating companies in Lisbon metropolitan area) in a context of decline of public transport patronage and of acute financial difficulties.

Public transport patronage fell by 13% in Lisbon metropolitan area between 1991 and 2001, and by 20% in Porto. During the same decade, car traffic grew by nearly 20% in both urban areas.

The fall in public transport patronage can be explained by the strong economic growth of Portugal, the increase in car ownership (encouraged by cheap loans), and the fast urban development linked to the building of new road infrastructures.

The bad results in terms of patronage worsen the economic situation of public transport operators, which have heavy debt burdens, and whose operating costs increase faster than fare revenues (+5% per year in Porto).

It is to be hoped that the new infrastructures such as the Metro of Porto or the extensions of the Metro of Lisbon, and the better co-ordination brought by the new metropolitan transport authorities, will be able to reverse the current trend.

www.aml.pt • www.amp.pt

● Decisions to come soon for LIVERPOOL tramway

The project of tramway for the metropolitan area of LIVERPOOL (1.5m inhab. in the area of Merseyside) is moving forward with the recent announcement by

Merseytravel, the passenger transport authority of the Merseyside area, that two bidders have been shortlisted to design, build, operate and maintain the future tramway line 1. This line, that will be 19 km long, will consist in a loop in the centre of Liverpool, with future extensions. The total cost of the project is estimated a € 325 million, including rolling stock. The British government, which has been requested to bring a subsidy of € 245m, will launch a public inquiry in April so as to determine if the scheme should receive financial support. Depending on the findings of the inquiry, works could start in 2004, and operations begin in 2007, before the city hosts the celebrations of Capital of Culture in 2008.

www.merseytravel.gov.uk

● A new plan of development of MADRID public transport systems

Madrid underground has been growing continuously since it was opened in 1919, but in the last years this process has intensified, and Metro extensions have been the most important infrastructure development in the Madrid region over the last decade.

Since 1995, when the first Metro extension plan was launched, the network has grown from 121 to 227 km. A new Metro extension plan is being approved for the period 2004-2007, and construction works are expected to start before the end of 2004.

This new Plan pursues three main aims:

- Improve the Metro service in some neighborhood and districts within Madrid City. These extensions comprise a total length of 18.2 km into six different lines, and the building of 20 new stations. The population served by the new stations amounts to 257,000 people.

- Connect the most populated cities of the metropolitan ring to the Madrid Metro Network. In the North, a 12.6 km extension of line 10 will provide service to the conurbation Alcobendas-San Sebastián de los Reyes (185.000 people served). In the East, the line 7 will be extended by 7.5 km with 120.000 potential new users of the 7 stations.

- Build a Light Rail System for low density areas of the metropolitan ring. The Light Rail System scheme, a novelty in Madrid, will be developed in the West and Southwest of the metropolitan area, and in the North of Madrid city. The tram network will reach a length of 34.4 km, and will serve 158,000 people.

The new stations are expected to be completed in June 2006, and the whole plan will be operated in March 2007.

At the end of the Extension Plan there will be 72.7 km of new infrastructure, and 81 new underground or light rail stations. From a social point of view, the Plan will provide better accessibility to underground and tram to 737.000 inhabitants.
www.ctm-madrid.es

● **New organisation of public transport in MARSEILLE**

A new metropolitan council, bringing together 18 municipalities, was set up in 2002 in Marseille, the third largest French metropolitan area (1m inhab.). The new public body, called Marseille Provence Métropole, is responsible, among other tasks, of mobility issues and public transport organisation. One of the first decisions has been to create a name for the whole public transport network (Transmétropole), which is operated by several companies, both private and public, including the company owned by the city of Marseille (RTM). Among the key tasks to come are the preparation of the urban mobility plan of the metropolitan area, the introduction of integrated tickets for the whole metropolitan area, the extension of the metro network, and the building of 3 new tramway lines (see *EMTA News* n°8)
www.marseille-provence.com

● **New public transport services inaugurated in PARIS**

Three major extensions of existing public transport infrastructures were inaugurated last December in Paris-Ile de France:

- the fully automatic line 14 of the Paris metro was extended by 500m so as to reach the major interchange station of Saint-Lazare. The cost of this extension (€ 128m) was shared between the Ile-de-France Region (61%), the national government (19%) and the operator RATP. The line, inaugurated in 1998, has a commercial speed of 40 km/h (vs. 25 km/h on the other 15 lines of the Paris metro) and generates a very high level of satisfaction of passengers thanks to its regularity and its high frequencies. The new extension is expected to double the traffic on the line (forecast of 53 million passengers in 2004).
- the line E of the RER (regional heavy rail service), inaugurated in 1999, was extended so as to provide direct connection to the centre of Paris to people living in eastern suburbs. The extension consisted mostly in upgrading existing infrastructures and stations, for a cost of € 13.7m, paid by the Region and the State. 25 million passengers are expected to use this extension every year.
- the tramway line n°1, first inaugurated in 1992, and that serves inner-ring of suburbs north-east of Paris, was

extended by 2.9 km (5 stations) so as to provide a connection with the railway station of Noisy-le-Sec (cost: € 80m). Traffic is expected to grow from current 85,000 passengers per day to 100,000.

Lastly, the City of Paris launched, in co-operation with STIF, the regional public transport authority, and the Ile-de-France Region, a new door-to-door demand responsive transport service for people with reduced mobility. This service, called PAM, aims to improve the mobility conditions of the 120,000 severely handicapped people living in Paris. It will be available 7 days a week from 6am to midnight. Trips, which can be booked in advance by telephone, fax, post or via the internet, will cost passengers € 6 inside Paris thanks to a subsidy of 75% of the total cost. 115 adapted vehicles will be used for this service, operated by the company Keolis, that was selected through a tendering procedure.

www.stif-idf.fr • www.pam.paris.fr

● **Traffic up by 5.5% in the RHINE-RUHR metropolitan area, consequence of successful fare policy**

VRR, the public transport authority of the Rhine-Ruhr conurbation, the largest German metropolitan area (7.2m inhab. around Bochum, Dortmund, Duisburg, Düsseldorf and Essen) announced that public transport traffic grew by 5.5% in 2003, reaching 1.01 billion passengers (out of a total of 9.13 billion local public transport passengers in whole Germany). Fare revenues grew by 2.7% during the same period and reached € 719 million. These good results follow the introduction of new yearly passes, such as the SchokoTicket ("Chocolate ticket") for pupils (415,000 sold in 2003, at the price of € 20.60 per month) and Barenticket ("Bear ticket") for active people aged 60 and more (sold at the price of € 42.95 per month), which enable to provide tickets suited to all passengers' situations. More than 1 million people now buy season passes in the Rhine-Ruhr region.
www.vrr.de

News from other continents

● **BANGKOK invests in public transport to reduce congestion**

The capital city of Thailand (about 10m inhab. in the metropolitan area) has long been notorious for its congestion, and the high level of air pollution in its busy streets. Aware that the trends in car traffic growth were not sustainable, the Thai government devised in the 1970's a Master Plan that recommended the adoption of public transport oriented policy and the building of three routes of high capacity public transport (total length forecast of 60 km) that were to start operations at the beginning of the 1980's. Unfortunately for the city and its inhabitants, political hesitations, disagreements between the government and the city authorities, and lastly financial difficulties, delayed by nearly 20 years the implementation of this plan. In the meantime, however, road infrastructures were extended massively, increasing the attractiveness of private car.

Things started to change in the 1990's, with the building of two elevated metro lines of a total length of 24km. This network, called Bangkok Transit System (or Skytrain), was inaugurated in 1999 and consists in a viaduct of 8.7m width built 12m above ground. The system, which cost € 1.6 bn, is operated by a private consortium led by Siemens under a Build-Operate-Transfer contract signed with the city. Patronage, well below forecast, rose steadily since the inauguration and reached 350,000 passengers per day at the end of 2003, enabling the company to make operational

profits for the first time. The banks ask for the company to restructure its heavy debt (€ 2.3 billion) before it can extend the lines by projected 11 km.

Simultaneously, the government set up in 1992 a public company, the Mass Rapid Transit Authority, with the responsibility to build an underground network consisting of 4 lines totalling 80 km. The first one, called Blue Line, consists in two single tracks tunnels of 5.7m in diameter, between 15 and 30 m below surface, with 18 stations along its 20km route. The cost of the line amounts to € 2.5 bn, brought by Japanese loans and by the private companies making up the concessionaire that will operate the line for 25 years. Land developments, including shopping malls, close to stations might bring additional funds. Rolling stock, whose commercial speed will reach 35km/h, will be supplied by Siemens. Operations are expected to start in August 2004, and patronage forecast is 250,000 passengers par day for the first year. Fare integration and physical connections with the Skytrain line at three interchanges will be seen to so as to provide an integrated system, independently of the company.

The decision to build extensions to this first line and two other lines, will depend upon the traffic of the new line, and upon securing adequate financial scheme.
www.bts.co.th • www.mrta.co.th

Focus

The reform of local public transport in Italy: towards a new role for transport agencies

The reform of local public transport organisation in Italy, adopted in 1997, aimed to split the responsibilities between strategic decision makers (local authorities), organisations responsible for planning and monitoring the provision of public transport services (mobility agencies), and lastly companies in charge of operating the networks. The reform also aimed to introduce controlled competition for the award of contracts to operating companies. If all the objectives have not been reached so far, a deep evolution is however under way.

Context : an ambitious reform

Local public transport in Italy faced key challenges in the 1990's: high production costs, decrease in the number of passengers, and a structural lack of public subsidies.

This particular context led in 1997 to the adoption of a new legislative framework which introduced a sort of "controlled competition" for the provision of services, based on the regular renewal of temporary exclusive rights, rather than on free access to the market. The objective was to improve cost-effectiveness and the attractiveness of services. This new framework was inspired by the guidelines of the regulatory proposal of the European Commission for public service requirements in the field of public transport. Furthermore the Italian national law 422/97 introduced:

- 1) decentralization of financial, planning and legislative functions linked to local public transport to Regions,
- 2) separation between planning, ruling and control function given to public administration (for a long time under direct responsibility of operator, without any inspection and supply of services given to operators.

Following laws led to a separation of infrastructure's ownership and service management in order to promote an effective competition among operators. The deadline for the entry into force of the reform, which was first set by 31st December 2003, was extended until 2006.

Results achieved

Competition has only been introduced in a few cities. No major metropolitan area has held any competitive tendering so far, and in the small municipalities, competitive tendering led in most cases to the confirmation of local incumbents.

The will to alter the balance established over the years between public administrations and operators still doesn't really exist, and both operators and administrations agree that a further delay is needed so as to be able to change substantially the regulatory system. However, the introduction of "service contracts" between public authorities and operating companies has enabled, in most cases, to achieve efficiency gains and reduce the level of public subsidies.

The principles outlined in the new national law represent a good opportunity to create independent institutions devoted to planning and controlling not only public transport, but also a wide range of urban mobility aspects.

Some municipalities have indeed faced this new challenge in a dynamic way, trying to reorganize the provision of public transport services, and some created local public transport agencies to implement the reform. These agencies play an intermediary role between the political authorities (municipalities, provinces or even regions), responsible for setting the strategic goals and the level of public funding devoted to public transport, on the one hand, and the transport companies in charge of delivering the services, on the other hand. Agencies are usually responsible for what experts call tactical tasks, that is to say planning the services, monitoring the activities of companies, preparing the tendering procedures, and signing the contracts with transport companies.

Some local illustrations

The kind of relationship between local operators and public authorities has an influence on the competencies and power of each transport agency, and it is possible to distinguish between "heavy" agencies and "light" ones, according to their different missions, and the choices made for the ownership of infrastructures.

In **Turin**, an agency called *Agenzia per la Mobilità Metropolitana*, was founded jointly by the Piemonte Region (37.5%), the Province of Turin (12.5%), and the Municipality of Turin (37.5%) in 2003. 33 municipalities making up the metropolitan area will be able to join the company, their share varying between 0.07% and 1.15% each. The aim of the agency is to promote sustainable mobility in the Turin metropolitan area, including the railway service, financed by the Region. It has a limited role and limited powers in the decision process. The public companies operating urban transport services (ATM) and interurban services (Satti) in Turin were merged in a single holding in 2003 under the name of Gruppo Torinese Trasporti (GTT), which is now competing to operate services in other cities, and which will be privatised in the future.

In **Milan**, an agency (*Agenzia Milanese Mobilità e Ambiente*, a joint stock company) was founded by the municipality so as to plan and implement an integrated mobility system. The agency also has competencies for environmental matters. The municipality thus controls three main organisations in the field of mobility: ATM, the public company responsible for operating the services, MM, the public engineering company responsible

for carrying out infrastructure projects, and the mobility agency.

In **Rome**, the former public bus operator, ATAC, was turned in 2000 into a mobility agency (*Agenzia per i Trasporti Autoferrotranviari del Comune di Roma*, ATAC, a joint stock company), which is fully owned and controlled by the municipality. ATAC owns the infrastructures and the rolling stock. It has to plan, rule and control the provision of public transport services. These services, currently supplied by the two municipality-owned transport companies (Tramibus for surface transport and MET.RO for railways and underground) shall, in the future, be provided by companies selected through tendering procedures held by ATAC.

Genoa is currently facing its own reform of the provision of transport services. The municipality wants to set up a new agency that would result from the splitting up of the existing local public transport company (Amt) into two different organisations: "Amt gestione TPL", responsible for operating public transport service, on the one hand, and "Amt infrastrutture", responsible for the integration of all transport modes, the development and monitoring of the services, and the control and reduction of polluting emissions and management of infrastructures, on the other hand.

www.ama-mi.it • www.atac.roma.it

www.comune.genova.it • www.comune.torino.it
Based on information provided by C. Mantero and C. Scarsi, Municipality of Genoa.

Agenda

- **Conference for the development of urban and suburban transportation**
Organised by CODATU
21-24 April 2004 – Bucharest, Romania
www.codatu.org
- **7th UITP Light Rail Conference**
21-23 April 2004 - Dresden, Germany
www.uitp.com
- **8th European Conference on Mobility Management (ECOMM)**
5-7 May 2004 - Lyon, France
www.epomm.org
- **EMTA 13th General meeting**
21-22 June 2004 – Helsinki, Finland
www.emta.com

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