

## Transport Policy and Urban Environment: Europe at Crossroads

### editorial

*During the past months, the price of crude oil continued to rise and all economic forecasts expect an increasing trend due to the growing demand and the necessarily limited supply. The end of our era of cheap fossil energy becomes more and more obvious for decision-makers and for all citizens.*

*In the same time the dramatic climatic events that occurred, particularly on the American continent, reinforced the awareness of climate change and the necessity to act urgently. The first meeting of the Parties to the Kyoto Protocol (MOP 1) that will take place in Montreal from 28 November to 9 December will have the difficult task to make proposals for further actions to be undertaken after 2012. Europe has a key role to play as the major economic player having ratified the Kyoto Protocol.*

*An efficient transport policy is crucial to address these two challenges. Transport has actually a high dependence on fossil energy and contributes in a large scale to greenhouse effect gases emissions.*

*This new framework has to be taken into account in the mid-term review of the 2001 Transport Policy and the Thematic Strategy on the Urban Environment, currently being prepared by the EU Commission. Europe will then be able to promote and help the transformation of our cities into energy-efficient and low emission areas. Achieving this objective will require efficient and reliable public transport networks, more co-ordination between land-use and transport planning, higher incentives to use clean individual vehicles and a promotion of smooth modes of transport.*

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## News from Europe

### ● One step forward for the third railway package

EU Commission has adopted the third railway package on 3 March 2004. It contains measures to revitalise the European railways. The package consists of a Communication, four legislative measures and a working document on an extended impact assessment for the gradual opening up of the market for international passenger services. One of the legislative measures is the amendment of Directive 91/440/EEC on the development of the Community's railways opening up by 2010 the market for international passenger services by rail.

Georg Jarzembowski presented a report asking for more competition in the railways. On the basis of this report the MEPs Transport Committee proposed an amendment aiming at including national passenger services in the legislation - and not just international ones as proposed in the package proposed by the Commission. It has been proposed to open up international passenger services to competition by 1 January 2008 and national passenger services by 1 January 2012. The committee also demanded to let Member States opening up their networks earlier if they so wish. This amendment has been adopted by the European Parliament.

In this session, MEPs also voted in favour of the introduction of a compensation system for train travellers. This compensation should not only apply to international rail passengers, as the Commission had proposed, but also to national ones. According to the amendment, the following minimum compensation should be paid to passengers for delays no later than one month after application has been made:

- > 25% of the fare for a delay of one hour or more
- > 50% for a delay of 2 hours or more
- > 75% for a delay of 3 hours or more

In adopting a range of amendments, Parliament took the view that the right of persons with a reduced mobility should be fundamentally guaranteed. Therefore railway operators must guarantee accessibility of stations, platforms and means of transport by eliminating all obstacles to boarding, disembarkation and remaining on board.

[www.europarl.eu.int](http://www.europarl.eu.int)

### ● EU Parliament supports road safety targets

Ari Vatanen, member of the European Parliament presented a report on road safety in Europe, which points out that improvements in road safety come from a combination of safer drivers, safer cars and safer roads. According to the European Commission's Community Road Accident Database (CARE) 40,000 lives are lost and 1.7 million people are injured in road accidents every year across the EU. Direct and indirect costs are estimated at €160 billion. A third of road fatalities occur in urban areas (33.8 % in 2002 for EU 15).

Compliance with existing rules would have a tremendous effect on fatalities, reducing them by 60% but enforcement is an exclusive competency of Member States. At EU level, the report proposes to implement mutual recognition of financial penalties among Member States. It also calls for further progress in vehicle design, using technological developments as seat belt reminders, electronic stability controls and speed limitation systems. Lastly, the document stresses the importance of safety improvements in the design, construction and operation of the road network.

The Parliament acknowledged the report largely adopted on 29 September a resolution targeting a reduction by 50% of road casualties by 2010.

[www.europarl.eu.int](http://www.europarl.eu.int)

# News from the cities

## ● Rail services improvements foreseen in Switzerland

Swiss Federal Railways (SBB-CFF-FFS) are currently working on the strategic planning of rail services for 2030: the Zukünftige Entwicklung der Bahnprojekte (ZEB). Concrete measures will be announced in 2006, as required by the Parliament. However, general guidelines of service improvements have been exposed in September. The scope covers all types of rail services: freight, long distance transport, and local public transport. The program focuses on infrastructure where absolutely necessary and mainly on services where the supply is not matching the demand enough. The ZEB will enhance the services will improve the interconnections of mains stations, that will become real transport nodes, allowing smooth connections on the hour and in some cases on the half hour.

Three infrastructure projects are in the scope of the ZEB: the crossing of Zürich, the missing link Tessin-Italy towards Milan and the international express line CEVA between Geneva and Annemasse (see below).

ZEB funding from federal government has been estimated about €4 billion (6-7 billion CHF).

[www.sbb.ch](http://www.sbb.ch)

## ● Works begin for the international link Geneva-Annemasse

The surroundings of Geneva where 910.000 people live and work are straddling two countries: Switzerland and France. This situation makes transport issues complex for public authorities in charge of it. Transport demand is expected to grow significantly by 2020, due to the forecast increase of the population, expected to reach 1.100.000 at this moment.

The cross border rail based project linking Cornavin Airport, the centre of Geneva (Eaux-Vives) and the French city of Annemasse has been expected for about a century and is about to become reality. Works began last September and the infrastructure will be in service by 2010-2012.

The project consists in drilling a 4.8 kilometre-tunnel, linking existing rail lines that will be upgraded. In France, 2 more kilometres will be created from the border to Annemasse. The travel time between the Airport and Eaux-vives will be 9 minutes and 17 minutes from the Airport to Annemasse.

The Swiss part of the project will cost CHF 900 million (~€600 million) and will be funded 42% by Geneva Canton and 58% by the federal level and the Federal Railways (CFF). The project is managed by an ad-hoc structure, bringing together the Canton, CFF, the Confederation, working with local developers, municipalities and also with cross border institutions such as "Léman Council" and the French "Region Rhône Alpes".

[www.ceva.ch](http://www.ceva.ch)

## ● Stockholm about to experiment congestion charging

The Municipality of Stockholm will experiment a trial period for congestion charging for all private vehicles crossing the city border on weekdays. Car users will have to pay for each crossing with a maximal daily fee of about €6 per day and per car. The trial will take place from 3 January to 31 July 2006 and a referendum will be held in September 2006.

The modal split of public transport is expected to increase due to the charge. At the moment 73% of peak hours trips to the city centre are made by public transport. This figure should reach 80% during the trial period. In order to anticipate this modal shift, the transport authority SL increased its services from last August with 14 new bus lines representing 200 buses and a light increase of rail services due to the limited capacity of the track, that could be extended but only in a long term project.

The project costs consist mainly of car identification, fee collection system and additional public transport provision. The project is 100% funded by the national government. Costs amount to €363 million, including €50 million for public transport provision.

[www.stockholm.se](http://www.stockholm.se) ● [www.sl.se](http://www.sl.se)

## ● London uses fare policy to influence behaviours of travellers

In order to encourage the use of public transport by young people, the Mayor of London - Ken Livingstone, through his agency Transport for London, has extended the age limit for children eligible for free travel on bus and tram networks from those under the age of 11 to those under 16. Children aged less than 13 can benefit from this opportunity without any specific requirement. 14- and 15-year-olds have to register and to apply for a Child Oyster photo-card in order to prove their age. This measure has a potential impact on half million young people.

In order to discourage people paying public transport tickets by cash, causing long queues, the Mayor of London is to increase the differential between cash fares and pre-paid Oyster smart card fares. The price of cash Tube tickets will increase whilst some Oyster fares will be reduced or frozen to encourage the continued switch to Oyster use in order to speed up ticket purchasing. For example, on the Tube, the Zone 1 single cash fare will increase from £2 to £3 (from €3 to €4.50) but the Oyster fare will reduce from £1.70 to £1.50 (from €2.50 to €2.20). The cash fare for a peak period single bus journeys will rise from the present £1.20 to £1.50 (from €1.80 to €2.20) whilst the Oyster price is frozen at £1 (€1.50).

New fares structure would however raise an estimated £80m on bus fares and £50m on the Tube.

[www.london.gov.uk](http://www.london.gov.uk) ● [www.tfl.gov.uk](http://www.tfl.gov.uk)

## ● Very short term rental of cycles available in Lyon

Greater Lyon launched in May VeloV, an innovative service of cycle rental for very short duration. Rental spots are spread across the cities of Lyon and Villeurbanne, where about 600,000 people live and work. The network consists of almost 200 stations, situated in strategic locations and no more than five minutes away from any place in the city.

Three kinds of subscription are proposed, with different prices and different billing options (pre-paid or post-paid). In any case, it is necessary to get a VeloV Card for insurance purposes in case of damages or liability. It is then possible to take a bike from a station and to let it in any station of the network. The first 30 minutes of use are free of charge, which encourages strongly the use for short trips. The TECELY public transport smartcard also gives access to the service. People using this type of card benefit from a 60 minutes period free of charge.

On 1 September, 23,000 people have register and have access to the 2,000 cycles available. The first inquiries showed that average trips length was 2.8 kilometres for a duration of 20 minutes, with a massive use during peak hours and near main train and metro stations, showing the complementarity with public transport. An extension of the service to 400 stations and 4,000 cycles is forecast for 2006.

The annual cost of operation is about €1,000 per cycle including the rental electronic devices, i.e. €2 million for the whole fleet. The system is managed by JCDecaux and is included in a global 13 years contract of street furniture funded by Greater Lyon.

[www.velov.grandlyon.com](http://www.velov.grandlyon.com)

## ● Torino prepares to host winter Olympics

In about 100 days, Torino will host the XX Olympic Winter Games that will take place from 10 February 2006. Organisation of world wide events welcoming thousands of visitors put a strong pressure on transport systems a wide range of projects are undertaken to face the expected demand, even if for winter Games, sports venues are mainly located... in the mountains.

The main project of the city of Torino is the construction of an automated line of metro (VAL), based on the same technology as the one in Lille or Toulouse. The first section is expected to enter in service in December. It will serve 11 stations and will measure 7.6 kilometres. The cost of the project is estimated €700 million, 60% funded by the Italian State. 3 more stations and an additional 1.6 kilometre of infrastructure are already planned for 2007 and discussions are taking place for a further extension of 4 kilometres representing 6 more stations. The trains will be able to transport 440 passengers, offering a capacity of 13,200 passengers per

hour with a minimum interval of 2 minutes. Another infrastructure is currently in development, but won't be in service for the Olympics: a North-South 4 tracks rail link, consisting in a 12 kilometres underground tunnel serving the main train stations. The Passante, as called, will be used to run high frequency rail services, linking the city with its suburbs and with the Airport and also long distance trains. This €1.2 billion infrastructure could be entering in service in 2010.

[www.torino2006.org](http://www.torino2006.org) • [www.comune.torino.it](http://www.comune.torino.it)

### ● New night bus services in Paris Ile de France region

In order to better match the growing mobility needs in night time, the network of night buses in Paris and Ile de France region has been restructured and reinforced in September. Provision of services has been doubled compared to the before situation. They are now run under the same name 'Noctilien' and are operated by RATP and SNCF, companies in charge of rail and metro services in Ile de France and co-ordinated by STIF, the regional transport authority. The network consists of 35 lines serving 1,950 stops, operating from 0h30 to 5h30, every

night, with enhanced services during weekends, with for instance an interval of 10 minutes in 2 circle lines of Paris. All buses are equipped with CCTV, offering a high level of security to the passengers. €5 million have been invested for this new service. The yearly operation costs amount to €16 million for an expected patronage of about 8 million passengers.

[www.stif-idf.fr](http://www.stif-idf.fr) • [www.noctilien.fr](http://www.noctilien.fr)

### ● Towards a unique contactless card for Denmark

Denmark aims at implementing a nation-wide ticketing scheme "Travel Card" based on contactless cards. As of 2008, inhabitants of Copenhagen and the rest of Eastern Denmark will benefit from this new scheme. A €200 million contract has been awarded to the consortium "East West" led by Thales and Accenture, covering the implementation of the system on a user's perspective and the operation of the system. Travellers will have to validate each time they enter a train station, metro station or a bus and each time they leave. Fare will be automatically calculated and debited on the pre-paid card that will allow negative balance for registered users.

[www.hur.dk](http://www.hur.dk)

## Agenda

- **Polis conference**  
15 years of innovation in local and regional transport:  
9-10 November 2005  
Paris, France  
[www.polis-online.org](http://www.polis-online.org)
- **CEN Conference**  
The Future of Railway Standards in Europe:  
14-15 November 2005  
Lille, France  
[www.cenorm.be](http://www.cenorm.be)
- **NICHES (New and Innovative Concepts for Helping European transport Sustainability)**  
Validation Workshop:  
1-2 December 2005  
Stockholm, Sweden  
[www.niches-transport.org](http://www.niches-transport.org)
- **Transport, Telecommunications and Energy Council:**  
5 December 2005  
Brussels, Belgium  
[www.eu2005.gov.uk](http://www.eu2005.gov.uk)

## News from companies

### ● Transdev Group pursues expansion in Italy

The city of Genoa, Italy decided to entrust the management of its transport network (bus, Metro, etc.) to a private partner for the first time via an open tendering process. The network is Italy's 5th largest urban public transport network.

In Genoa, where 610,000 people live, more than 400,000 journeys are made daily and every inhabitant makes in average 240 journeys per year by public transport. The 6 years contract has been awarded to AMT S.p.A. (Azienda Mobilità e Transporti), in which Transdev has a 41% share. The turnover of the company is about €150 million. The 6 years contract represents a total amount of €900 million.

AMT hires 2,200 employees, owns 860 vehicles including 18 metro vehicles, 20 trolleybuses and 2 funiculars.

Transdev also pursued its expansion in Italy by progressively acquiring the AGI Group, Italy's third largest private inter-urban and suburban transport group in terms of turnover (€30 million), operating in Lombardy through the activities of its subsidiaries, as well as Venetia and Emilia Romagna through public-private partnerships.

[www.transdev.org](http://www.transdev.org) • [www.amt.genova.it](http://www.amt.genova.it)

### ● RATP and ALSTOM sign a €474 million for the supply of metro trainsets

RATP, Paris' metro operator, and ALSTOM signed a contract on 20 October 2005 for the delivery of 49 rubber-tyred automatic metro trainsets with an option for 10 additional metro trainsets.

The order was concluded in the context of the automatization programme for line 1, one of the most important line of Paris network with 700.000 daily users, crossing the city from west to east. Line 1 will be the second fully automated one in 2010, after line 14, that has entered in service in 1998. It is therefore scheduled to be the first time in France, and indeed one of the first time in the world that a regular subway line will be turned into an automatic line. €160 million infrastructure works will be necessary to adapt platforms in the 25 stations and to upgrade the signalling system, that had to be done regardless of the automatization. The contract signed between Alstom and RATP for the rolling stock amounts to €474 million. The first metros will be delivered mid-June 2008, the last trains being scheduled for the end of 2010, forecast date for completion of the project.

Expected benefits are a better reliability, an

optimisation of interval between trains (85 seconds vs. 105 currently), an increased commercial speed (up to 30 km/h) and an increased capacity of 25,000 passengers per hour.

[www.alstom.com](http://www.alstom.com) • [www.ratp.fr](http://www.ratp.fr)

### ● New Bombardier tramways in the streets of Brussels

The first Flexity Outlook tramway, manufactured by Bombardier, has been delivered to STIB (Société des Transports Intercommunaux de Bruxelles) on 14 September. STIB and Bombardier concluded a contract in 2003 for the acquisition of 46 trams and 15 years maintenance for a total amount of €106 million. The rolling stock is split among 27 T3000 (32 metre-long vehicles) and 19 T4000 (44 metre-long vehicles). This contract has been extended since, for an additional 22 T3000 representing €52 million. This tramway has a high proportion of seated capacity despite its 100% low floor structure: T4000 can carry 250 passengers among whose 74 can be seated.

[www.stib.be](http://www.stib.be) • [www.bombardier.com](http://www.bombardier.com)

# Analysis **New proposal for a regulation on public passenger transport services**

The EU Commission published on 20 July a strongly expected project of regulation setting a clear framework for local public transport. As the co-decision procedure requires, the text has been transmitted to the European Parliament and to the Council of Ministers. The Council of Ministers of Transport is expected to reach a common (informal) position during its next meeting in Brussels on 5 December.

## 1. Background

The European legislative framework for the transport of passengers relies on the regulation 1191/69 adopted in 1969 and amended in 1991. This regulation allows Member States to impose public service obligations on fares, continuity, regularity or capacity and defines procedures applicable to determine the level of compensations and to ensure that the amount paid is appropriate. Compensations granted in accordance with these rules are not subject to prior notification and authorisation obligation. The evolution of public transport in the last decades, the development of tendering, the expansion of international market players has led to an increase in disputes and a reluctance of operators to invest in a climate of legal uncertainty.

The commission presented in July 2000 a proposal for a new regulation on public services requirements and the award of public service contracts in public transport. This regulation has to be adopted in the Codecision procedure COD 2000/0212.

The proposal was based on three principles:

- > Contractual agreements between the competent authority and the operator(s)
- > Periodic review on contracts terms
- > Generalisation of competitive tendering with some possible exceptions

The text has been amended by the European Parliament during its first reading in 2001 and the EU Commission proposed a second version of the text in 2002, which is still blocked by the Council, as no political agreement has been reached.

In July 2003, a judgement of the Court in the Altmark case clarified how provisions of the Treaty on State aids (Articles 73 and 87) apply to public transport services. The judgement concluded that public service obligations could be compensated regarding the cost and a reasonable profit without being considered as State aids on certain conditions.

Considering that legal uncertainty is still threatening the well functioning of the public transport sector, the Commission proposed on 20 July 2005 a third version of its proposal in COM (2005) 319. This proposal acknowledges the judgement of the Court, takes into account the 2004 White Paper on services of general interest and aims at reconciling the various positions adopted.

## 2. Content of the proposal

The new proposal consists of twelve articles and an Annex describing rules applicable to compensation. Article 2 provides definitions of thirteen terms used in the text. The main elements of this new proposal are:

- > Generalisation of the Contracts between authorities and operators:

Article 3(1): Any public authority granting to any operator an exclusive right or any compensation in return for the discharge of public service obligation has to do it within a framework of a contract. Article 2(i) provides a definition of a public service contract as a binding act confirming the agreement between a competent authority and the operator. Depending on the law of the Member State, it can consist of a decision adopted by the competent authority.

- > Principle of subsidiarity:

Article 5(2): Competent local authorities will be able decide to provide public transport services by themselves or to award public services contract to an internal operator. Article 2(j) gives a clear definition of an internal operator: the competent authority should exercise complete control over it, similar to the control exercised over its own departments. Level of control can be assessed through effective influence, individual management decisions and degree of representation of administrative, management or supervisory bodies.

- > Principle of reciprocity:

Article 5(2) adds a required condition for in house provision of services: internal operators and any entity over which they exert even a minimal influence have to perform all their public passenger transport activity within the territory of the competent authority. This is to avoid situations where operators performing in a protected market can have access to competitive markets, with the risk of cross-subsidies that bias the rules of fair competition.

- > Except in three situations, provision of services by third party should be done through an invitation to tender:

Article 5(3) describes the requirement of the invitation to tender that has to be transparent and non-discriminatory.

Articles 5(4), 5(5) and 5(6) specify the case where direct award to a third party is allowed:

- Contracts worth less than €1 million/year or representing less than 300,000 kilometres/year
- In the event or risk of the disruption of services as an emergency measure
- For regional or long-distance transport by rail

The regional or long-distance transport is defined in article 2(m) as services which does not cater to the transport needs of an urban centre or a conurbation or connect a conurbation with its suburbs

- > Duration of contracts:

Article 4(5) provides maximum duration for contracts depending on the mode of transport:

- 8 years for bus and coach services
- 15 years for rail services

- > Period of transition:

As a regulation enters into force immediately when adopted, the period of transition has been precisely defined.

Article 8(2) grants the competent authority the responsibility to ensure that

- At least 50% of the bus and coach services are awarded according to the regulation within 4 years and all services within 8 years
- At least 50% of rail services are awarded according to the regulation within 5 years and all services within 10 years.

The principle of reciprocity during the transition period applies as described in Article 8(6): the competent authority may in the second half of the transition period exclude from invitation to tender operators that have less than 50% of their services awarded in accordance with the new regulation.

## 3. Evolutions from the previous versions

The new proposal is slightly different from the two previous ones, particularly for the following points:

- > simplification of the text

The number of articles is significantly lower (12 articles Vs. 21 in the previous version), underlining the objective of the Commission to have a more simple framework easier to understand.

- > higher level of subsidiarity

In the previous version of the proposal, 14 selection criteria for awarding public service contracts were precisely described such as quality of service, fares, integration, use of energy etc. These requirements have been removed

- > no more reference to metro or light rail

In the previous versions, it was proposed to allow competent authorities to award contracts directly for metro or light-rail services, justified by the complexity of the network and by efficient use of public funds. This exclusion has been removed.

- > increasing of transition period for rail services

The transition period was initially 8 years and has been extended to 10 years for rail based services.

## 4. Questions raised

The definitions, which could be more explicit, and the analysis of the current situations in European cities raised some questions about the text that will have to be answered, as for instance:

- The notion of internal operator has to be analysed having in mind the possible structure of public bodies in charge of organising public transport. They often bring together several levels of local governments.

If a local government has the majority of votes in a transport authority can an operator fully owned by the local government be considered as an internal operator?

What happens if the local government doesn't have, on a legal point of view, the majority but take "de facto" the decisions of the transport authority?

- "Regional or long-distance transport means a transport service which does not cater to the transport needs of an urban centre or conurbation or connect a conurbation with its suburbs." In metropolitan areas not developed around a large central city, which services can be considered as regional?

- The in-house provision of services gives the competent authority more flexibility as it fully controls the operator. Mandatory contracts could have a negative impact on this flexibility if the definition of the service is too largely detailed. What level of precision of contracts will be required/ allowed in this case?

EMTA will complete this list of questions in order to enrich the debate on this proposal.

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