Institutional Setup for implementing Sustainable Urban Transport

Manfred Breithaupt
GIZ – Water, Energy, Transport
Unattractive public transport systems

• Insufficient physical integration of various public transport modes and between public transport, walking, cycling and private car
• No integrated and transparent time schedules
• Signage, customer information on timetables, connecting services and fares not appropriate

→ discouraging the use of public transport
Unattractive public transport systems

- Insufficient cooperation between public transport operators
- Each change of mode normally requires the purchase of another ticket
- No uniform service level standards among modes and operators
What do citizens want?

✓ Convenience
✓ Easy Access
✓ Comfort
✓ Frequent Service
✓ Rapid journey
✓ Safety & Security
✓ Customer Service
✓ Affordability
✓ Have a network

Public Transport should be designed around the customer and not around a technology.
Conventional Public Transport Planning Approach

Step 1. Choose technology

Technology chosen due to manufacturer lobbying efforts
Design chosen to please existing operators
Technology chosen to help property developer

Step 2. Fit city to the technology

Reduce size of network due to financing limitations
Charge higher fares in attempt to pay for expensive system
Operate infrequent services to reduce operating losses
Require large subsidies for lifetime of system’s operation

Step 3. Force customer to adapt to technology

Extensive marketing campaign to convince customers that system is in their interest
The innovative and successful approach

Step 1.
Design a system from customer’s perspective

- Rapid travel time
- Few transfers
- Frequent service
- Short walk to station from home / office

Step 2.
Evaluate customer-driven options from municipality perspective

- Full network of destinations
- Low fare cost
- Safe vehicle operation
- Secure environment
- Comfortable and clean system
- Friendly and helpful staff

Step 3.
Decision

- Low infrastructure costs
- Traffic reduction benefits
- Environmental benefits
- Economic / employment benefits
- Social equity benefits
- City image

Technology decision based on customer needs and municipality requirements
Main Components of integrated Urban Transport

- Public Transport with priority over all other modes on the road
- Non-motorised transport
- Creating/conserving public space
- PT Integration
- TDM measures
- Vehicles and fuels (Technol. may support)

Do you see these factors here?
Improving mobility through the A-S-I approach

AVOID
- PREI
- Travel does not take place
  Need / desire to travel has been reduced

SHIFT
- PREI
- Non-motorised transport
  Walking and cycling
- Public motorised transport
  Public Transport - Bus, rail

IMPROVE
- REIT
- Individual motorised transport
  Car, motorcycles, taxi

Decision to travel or not to travel and by which mode affects fuel consumption, and therefore carbon emissions, congestion, accidents, etc.
Number of vehicles, level of congestion, driver behaviour, vehicle condition, fuel type.

NEGATIVE EXTERNALITIES
Available Instruments

(P) Planning instruments
Land use planning, planning/providing for public transport and non-motorised modes.

(R) Regulatory instruments
Physical norms and standards, traffic organization, production processes.

(E) Economic instruments
Fuel taxes, road pricing, subsidies, purchase taxes, fees and levies, emissions trading.

(I) Information instruments
Public awareness campaigns, marketing schemes, co-operative agreements, etc.

(T) Technological instruments
Fuel improvement, cleaner technologies, end-of-pipe control devices, cleaner production.

Source: Adapted from Dalkmann and Brannigan (2007)
Overall Challenges in Dev. Cities

- Under-resourced institutions, lacking in overall capacity to plan, execute, maintain and deliver affordable sustainable urban transport.
- Fragmented policy formulation and implementation with lack of co-operation among multiple ministries and transport agencies.
- Lack of finances for transport infrastructure and public transport services resulting in extensive institutional and governmental support, concessions and subsidies.
- Insufficient financial procedures and accounting/audit systems.
- Procedural constraints that impede the delivery of urban transport infrastructure and services.
- Inadequate legal and enforcement frameworks and capacities needed for urban transport and land-use developments.
- Absence of comprehensive information systems, disclosures and public participation.

Source: Adapted from Jain, 2011
Administrative and Governance Issues

- Overlapping or fragmented institutional responsibilities
- Horizontal co-ordination and vertical integration between departments has always been a challenge
- Lack of a single lead authority to provide direction and decision-making leads to chaos and confusion among other actors involved
- Regularly changing organizational arrangements
- Countless committees and meetings with many times questionable outcomes
- City governments often do not see urban transport as a basic municipal service/responsibility (like water, sanitation) and hence do not work towards its planning and provision.
Multiple Actors (an Example)

- **Centre-level**
  Ministries (Road transport and Highways, Urban Development, Railways, Heavy Industries, Environment, Home, Housing and Urban Poverty Alleviation, Finance, Petroleum and Natural Gas) – policy making, financial assistance, standard setting
  Planning Commission- Five year plans

- **State-level**
  Transport Department- Vehicle licensing and registration; emission norms
  State Transport Undertakings- Inter and intra city Public transport (bus) provision
  State Development Authorities- carry out city and satellite town planning
  The Public Works Department- has responsibility for roads and bridges in the cities
  Pollution control board- enforces emission norms
  Labour department- enforces labour laws
  Finance Department- budgetary allocations, impose and collect different taxes

- **City-level**
  Local municipal government- provides roads, infrastructure like bus stands, regulates traffic along with Traffic Police, controls construction, etc.
  Local city development authority-discharges town planning functions
  Traffic Police-regulates traffic
  Departments or SOEs- plan and manage bus operations
Transport Planning in Germany

Interlinked Planning System

Source: Institut für Stadtplanung und Städtebau der Universität Duisburg-Essen
Transport Development Planning

Transport development planning (Verkehrsentwicklungsplanung - VEP) is an integrated, forward-looking, systematic preparation and realisation of decision-making processes - with the purpose of influencing movements of people and goods within a planning area by structural, constructional, operational, regulatory, tariff and price political measures towards certain strategic aims.

**VEP = continuous duty of local and regional planning authorities**

- Various reporting tasks, data collection and evaluation processes
- Transport Development Plans required for land-use planning and as base for further strategic planning documents, such as
  - Local/regional public transport plans
  - Cycling and Walking strategies
  - Commercial transport concepts (Freight plans)
  - Road Safety programmes
  - Noise reduction plans
  - Clean-air plans
Urban mobility planning allows to overcome antiquated paradigms of transport planning

<table>
<thead>
<tr>
<th>Traditional Transport Planning</th>
<th>Sustainable Urban Mobility Planning</th>
</tr>
</thead>
<tbody>
<tr>
<td>Focus on traffic</td>
<td>Focus on people</td>
</tr>
<tr>
<td>Primary objective:</td>
<td>Primary objectives:</td>
</tr>
<tr>
<td>Traffic flow capacity and speed</td>
<td>Accessibility and quality of life</td>
</tr>
<tr>
<td>Political mandates and planning by experts</td>
<td>Important stakeholders are actively involved</td>
</tr>
<tr>
<td>Domain of traffic engineers</td>
<td>Combination of infrastructure, market, services, information, and promotion</td>
</tr>
<tr>
<td>Infrastructure as the main topic</td>
<td>Investment-guided planning</td>
</tr>
<tr>
<td>Cost efficient achievement of goals</td>
<td></td>
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<tr>
<td>If you plan for cars and traffic, you get cars and traffic.</td>
<td></td>
</tr>
</tbody>
</table>

“If you plan for people and places, you get people and places.”

Source: Rupprecht Consult, quotations by Fred Kent, President of “Project for Public Space”:
An Urban Mobility Plan is a planning tool which comprises objectives and measures oriented towards safe, efficient and accessible urban transport systems.

- Can reveal the real challenges a city faces
- Offers the exploration of different development scenarios
- Preparation process can help diverse stakeholders to rally around a common vision for their urban transport system
... allows for the more efficient use of scarce public funds

Cities can‘t improve everything at the same time!

✓ Clear priorities pay off in the short and long-term:
  ▪ Investment priority should be given to public transport, walking, cycling & integration of different transport modes (Modal integration, transit-oriented/mixed land-use development)

✓ Investment priorities derive from national urban transport policy and urban mobility planning

✓ Capacity development for planning authorities, planning processes and civic participation pay off!
Chain towards Sustainable Transport Financing:

- A country’s sustainable development, climate & energy goals
- The country’s transport policy & strategy – including the national urban transport policy
- Institutions and a legal framework supporting these goals
- Transport taxation and charging policies (Where the money comes from?)
- Appropriate spending - based on standardized evaluation criteria, urban mobility plans (Where the money goes?)
- Counter-productive counter measures, such as funding for private transport through cheap loans for buying vehicles, too low fuel taxes or even fuel subsidies, etc. should be avoided!
GERMANY – Transport Development Plans

- “non-obligatory” process - but required for receiving national funds for large-scale projects and as input for sectoral (obligatory) plans

- Transport Development Plans required for land-use planning and as base for further strategic planning documents, such as
  - Local/regional public transport plans
  - Cycling and Walking strategies
  - Commercial transport concepts (Freight plans)
  - Road Safety programmes
  - Noise reduction plans
  - Clean-air plans
- Results and experiences of previous strategy
- Long-term overarching objectives, e.g.
  - Energy
  - Climate Protection
  - Safeguarding Mobility
- Guidelines of related policy field
  - Urban Development
  - Environment
  - Economy
- Framework Conditions
  - Population
  - Spatial Structure
  - Finances

Example: Integrated Mobility Planning in Berlin

Analyses and Forecasts

Impact Assessment / Evaluation
Target-Orientedness, Interconnection of Strategy and measures – the example *Transport Development Plan Berlin*

**Mission Statement 2040 (integrated)**
- **Targets**
  - Ecologic
  - Economic
  - Social
  - Institutional

**Strategies**
- Promotion of Public Transport, walking, cycling
- Quality of Life and Environment
- Supporting commercial transport
- Mobility and traffic management
- Inner City Concept
- Regional Concept (Brandenburg)
- Intermodality

**Measures**
- Land Use
- Regulatory and price measures
- Organisational
- Communication
- Infrastructure

Source: „Planwerk StEP Verkehr“ (Overview)
Responsibility & Practice - examples

- **Berlin**: City Transport Development Plan (Stadtentwicklungsplan Verkehr)

  - Administrative project group
  - Advisory Council
  - Fractions (pol. Parties in City Council)
  - Construction departments of city districts
  - Economic Associations
  - Public Transport authorities (transit alliance, operators)
  - Citizen Groups / NGOs and special interest groups

  - Berlins TDP are coordinated with the responsible planning authorities of the state Brandenburg

Responsibility & Practice - examples

- **Dresden**: Verkehrsentwicklungsplan 2025 Plus
  - Voluntary city-region cooperation – Round table and planning approach involve surrounding communities
  - Further coordination with neighbouring transit alliances and planning authorities
Responsibility & Practice - Examples

- Regional cooperation **FrankfurtRheinMain** (Planungsverband Ballungsraum Frankfurt/Rhein-Main)
  - Has the main responsibility of regional land-use planning
  - Due to the legislation on construction, the cooperation is also obliged to organize the regional Transport Development Planning
  - Integrated regional transport modell and transport data base
    (Verkehrsdatenbasis Rhein-Main - VDRM)
EU - Sustainable Urban Mobility Plans (SUMP)

“… strategic plan designed to satisfy the mobility needs of people and businesses in cities and their surroundings for a better quality of life. It builds on existing planning practices and takes due consideration of integration, participation, and evaluation principles.”

www.mobilityplans.eu
### Various financing options for different ranges of application

<table>
<thead>
<tr>
<th>Instrument</th>
<th>National</th>
<th>Local</th>
<th>Amount typically involved</th>
<th>Main components supported</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Infrastructure</td>
</tr>
<tr>
<td>Parking charges</td>
<td></td>
<td></td>
<td>$</td>
<td>x</td>
</tr>
<tr>
<td>Road Pricing/congestion charge</td>
<td>$$</td>
<td>x</td>
<td>x</td>
<td>x</td>
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<tr>
<td>Employer contributions</td>
<td>$$</td>
<td>x</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>Fare box revenues</td>
<td>$$</td>
<td></td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Public transport subsidies</td>
<td>$</td>
<td></td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Land development/land value taxes</td>
<td>$$$$</td>
<td></td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Public private partnerships</td>
<td>$$</td>
<td></td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Advertising</td>
<td>$</td>
<td></td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Fuel taxes/surchages</td>
<td>$$$$</td>
<td></td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Vehicle related taxes and charges, including auctioning of quotas</td>
<td>$$$$</td>
<td></td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Loans and grants</td>
<td>$$</td>
<td></td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>CDM</td>
<td>$</td>
<td></td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>GEF</td>
<td>$</td>
<td></td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Multilateral/bilateral climate funds</td>
<td>$</td>
<td></td>
<td></td>
<td>x</td>
</tr>
</tbody>
</table>
Potential Building Blocks

... of sustainable urban transport financing

National Funding Programs

Explore role of provinces

1 Allocation of grants/subsidies

Mobilise local funding options

2 Coordinate responsibilities

Urban Mobility Plans

3
There is an urgent requirement for all metropolitan areas to develop integrated urban transport planning authorities (such as UMTAs), with the target to overcome fragmented and often unfocused planning by the previous multilevel horizontal and vertical Authorities

Examples:
• LTA, Singapore
• TfL, London
• Many European Cities
• Curitiba
Overarching Principles - Quality Management

When developing a viable public transport Industry following factors are important:

- Necessity of customer orientation and evaluation of the quality of the public transport system
- Formulation of quality standards
- Instruments for quality control
- Sanctions and incentives
- Good image of public transport resulting from communication with customers
Status Quo in most Developing Cities

- Insufficient physical integration of various modes (Rail, Metro, Bus, informal PT) and between PT and NMT
- No integrated and transparent time schedules
- Insufficient cooperation between PT operators
- Signage, customer information systems on PT options, arrival times, connecting services, and fares not appropriate, and therefore discouraging PT use
- Each change of mode normally requires the purchase of another ticket
- No uniform service level standards among modes and operators
A Public Transport Regulator is normally responsible for 7 basic processes

- Determination of Policies, Plans and Programs
- Management of contracts with operators
- Supervision
- Evaluation of the operation
- Regulation
- Internal programs and administration
- Solution of Controversies
1. Urban Redevelopment Authority (URA): Spacial and Urban Dev Planning
2. LTA: providing basic transport infrastructure
3. Regulator (Public Transport Council PTC)

- PTC is an independent body to safeguard the interests of passengers by ensuring adequate public transport, reasonable fares and at the same time ensuring the financial viability of operators
- PTC has 16 members from a wide cross-section of society and Public Transport Operators (PTOs) operate buses and trains
Key Functions of PTC

- Licensing of Bus Services
- Regulation of Bus Service Standards
- Regulation of Bus/Train Fares
- Licensing of Bus Service Operators
- Regulation of Ticket Payment Services
- Regulation of Penalty Fee
- Feedback & Communications
- Policy Review & Development
- Corporate Management & Services
PT Passenger Satisfaction (%) in 2010

- Security & safety 91
- Accessibility 90
- Comfort 80
- Travel time 85
- Waiting time 68

In terms of percentage of overall satisfaction, 96% were satisfied with MRT services compared to 92.5% for bus services.
The central challenge is to ensure that system benefits are distributed among system users and operators.

“Traditional” System

- Low entrance barriers
- over-supply
- inefficiency / overcosts
- Losses
  - Incapacity to invest
  - Travel times
  - Safety

Structured model

- Competition for the market
- Regulated supply
- Efficient operation
- Objective level of service
- Rentability
- Low prices

Slides developed originally by Dario Hidalgo
Some best Practices: BRT
Business Structure- Example
Bogota

- Mayor’s Office
- TransMilenio SA
- Transportation Department
- Urban Development Agency
- Operational control System and Passenger Info
- Bus Operating Contracts
- Fare Collection Contract
- Financial Services Contract
- Station Services Contract
- Construction Contracts
Bogota: Organisational structure and characteristics

**Planning, management, and quality control**
Public company

**Infrastructure**
Private sector
- Specifications developed by public sector
- Contracts awarded through competitive bidding

**Fare collection**
Private sector
- Concession awarded through competitive bidding
- Private operators are responsible for purchasing fare equipment and managing fare process

**Busway operations**
Private sector
- Concessions awarded through competitive bidding
- Private operators are responsible for purchasing vehicles and operating vehicles
Organizational structure and responsibilities

TRANSMILENIO S.A.
Planning, Management and Control

Infrastructure (Public)
• Corridors
• Stations
• Garages
• Complementary Infrastructure

Fare (Private)
• Equipments
• Smart Cards
• Trust Fund

Operation (Private)
• Multiple Companies on each trunk line.
• Buses
• Employees
BRT (Rea Vaya) Structure-Johannesburg

- Mayor
  - MMC for Transport
    - Johannesburg Roads Agency (JRA)
    - Transportation Department
    - Rea Vaya Project
      - SPV/Bus Operating Company
    - Saha: IT Advisor and Interim Fare Collection
      - Questek Operational Control
      - Automatic Fare Collection
    - MMC for Development Planning and Urban Management
  - MMC for Finance and Economic Development
    - Metropolitan Trading Company (MTC)
    - Facilities and Property Solutions
      - DCI
      - Mmaphaku Cleaning
  - MMC for Transport
    - Transportation Department
    - Rea Vaya Project
      - SPV/Bus Operating Company
    - Saha: IT Advisor and Interim Fare Collection
      - Questek Operational Control
      - Automatic Fare Collection
REAC VAYA STRUCTURE AND FUNCTION FLOW

**BUSINESS UNIT**
- Operations
- Service design
- Control Room
- Quality Control
- Specialised maintenance

Supplies and manages AFC and paper ticket systems
Ensures ticket availability at stations & vendors
Total logistics for ticket planning, sales, recons on stock and validations

**TICKET SYSTEM MANAGEMENT** (TMT)
- Collects cash from stations
- Delivers tickets to stations
- Delivers tickets and collects cash from vendors
- Counts cash under audit conditions, banks cash and reports per bag

**TICKET PRINTING** (ACE)
- Prints tickets

**CASH COLLECTION** (G4S)
- Manages stations and activities
- Station Security
- Station Cleaning
- Ticket sales
- Validation of tickets
- Passenger liaison and loading
- Information to passengers

**STATION MANAGEMENT** (MTC)

**BUS OPERATING COMPANY** (CLIDET)
- Owns buses
- Employs drivers and other staff
- Bus maintenance
- Bus washing
- Operates to timetable
- Penalties for quality deviations

Contracts
## Assignment of financial responsibility between Public and Private Sectors

<table>
<thead>
<tr>
<th>Service</th>
<th>Curitiba URBS</th>
<th>Bogota TransMilenio</th>
<th>Santiago TransSantiago</th>
<th>TransJakarta</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bus Procurement</td>
<td>Private</td>
<td>Private</td>
<td>Private</td>
<td>Public (Phasel)</td>
</tr>
<tr>
<td>Bus Operations</td>
<td>Private</td>
<td>Private</td>
<td>Private</td>
<td>Private</td>
</tr>
<tr>
<td>Fare Collection</td>
<td>Public</td>
<td>Private</td>
<td>Private</td>
<td>Private</td>
</tr>
<tr>
<td>Trust Fund</td>
<td>Public</td>
<td>Private</td>
<td>Private</td>
<td>Public (gen.govt revenue)</td>
</tr>
<tr>
<td>Control Center</td>
<td>Public</td>
<td>Public</td>
<td>Private</td>
<td>Public</td>
</tr>
<tr>
<td>Operational Planning</td>
<td>Public</td>
<td>Public</td>
<td>Private</td>
<td>Private (?)</td>
</tr>
<tr>
<td>Setting the Fare</td>
<td>Public</td>
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<td>Public</td>
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<tr>
<td>System Design</td>
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<td>Public</td>
<td>Public</td>
<td>Public</td>
</tr>
<tr>
<td>Service Standards</td>
<td>Public</td>
<td>Public</td>
<td>Public</td>
<td>(none)</td>
</tr>
</tbody>
</table>
Transit Alliances – Towards Fully Integrated Public Transport
History of public transport integration in Germany

Germany before 1970

- every transport company had its own tariff for local public transport
- no transparency in tariffs and no integrated coordination of schedules
- Tickets of different transport companies were not accepted by the others

Development since 1970

Phase 1
- **Tariff associations** (public transport companies accepting each others tickets leading to associated tariffs)

Phase 2
- **Transport operator associations** (coordination and increase of transport planning and marketing, coordinated timetables for public transport)

Phase 3
- **Transit Alliances** (contracts on tariffs, distribution of fare income and shared timetables)

Today:

*Transit Alliances all over Germany (Austria, Switzerland, Netherlands, …)*

*Adapted from TraffiQ*
Public Transport Integration - Cooperation is the key!

Tariff and Transport Alliances

- Transport operator associations
  - Voluntary or politically enforced cooperation
    - e.g. in terms of service and tariff planning
    - PuT companies operating in the area of association

- Public Transport Regulatory Authorities
  - Integrated organisers of public transport
  - manage and develop services of different operators
  - All PuT services in a city or limited area

- Transit Alliances
  - Integrated Organisers of Public transport in a wider region
  - Federal states (e.g. Bavaria)
  - Cities (e.g. Frankfurt) and Counties operating together

Increasing complexity: several companies, tariffs, cities, counties, states etc. to integrate

*PuT means public transport*
Transit Alliances in Germany

International Experiences: Munich

- Münchner Verkehrsverbund
- „1 network, 1 timetable, 1 tariff“
- Includes all public transport modes with different operators
- Bus, tram, subway, light rail, suburban trains, …
Integrated transfer stations
Integrated Information & Timetable planning
Integrated Fares & Ticketing

One timetable
One fare
One ticket

→ Includes all public transport modes with different operators
Transit Alliances in Germany

Advantages for the customer

- Free choice of PT mode (e.g. bus, tram, regional rail)
- Comprehensible strategy „one fare - one ticket“
- Coordinated timetables (best connections)
- Improvement of quality

Advantages for the association

- Synergy effects for marketing, customer information etc.
- Unification of distribution (e.g. ticketing)
- Simple fare system for all public transport systems
- Consistent market presence
- Demand on PT increased considerably since creation of the transit alliances, e.g. in Munich and Hamburg 3 to 4 fold.

Experience of German associations over nearly 40 years (since 1965)

- Increasing demand and increasing fare income
Specific features of a German Transport Association

Transit Alliances

- A legally independent association
- Own personnel and own equipment
- Integration of regional and local transport systems
- Integration of bus + rail
- Responsible for fares, RSA*, planning, etc.

Rhein-Main-Transit Alliance (RMV)
- Integration of approximately 110 fares
- approx. 150 transport companies
- Region, 26 districts and large towns as partners

*RSA = revenue sharing agreement
Frankfurt Rhine-Main Alliance (RMV)

Zone-based fare and tariff system

The Rhine-Main Public Transport Association (RMV)

- Integration of about 110 different fare and tariff systems in 1995
- Approximately 150 transport operators
- RMV-Supervisory Board: 26 local authorities and the province of Hesse

From TraffiQ
The Frankfurt example …

Approx 40 km

Wiesbaden

Frankfurt

1 fare / 1 ticket

6.75 Euro

Integrated timetable
Members of the RMV
(The Rhine Main Transit Alliance-Hesse, Germany)

27 partners constitute the RMV Supervisory Board, thereof:

- 15 rural districts
- 4 large cities (e.g. Frankfurt)
- 7 medium-sized towns
- The federal state of Hessen
  - 368 Local authority districts within the RMV area
  - 153 Transport companies
  - 112 fare systems harmonised and integrated
3-level-organisation of local and regional public transport

**Political level**
- City of Frankfurt (CoF) / municipality

**Executive level**
- Local PTO* traffiQ
  - non profit organisation
  - formally privatized but 100% owned by CoF

**Regional Transit Alliance (RMV)**

**Operational level**
- TENDERING and CONTRACTS (competition)
- Private operators
- Public operator (VGF) [owned by CoF]
- German Rail (DB)
- Regional operators

* PTO = Public Transport Organisation
Steps for preparation

- Development of contracts
- Coordination and establishment of a system (*e.g.* identification method) to distribute fare incomes (*with all participants, e.g.* PT companies)
- Planning of tariff zones (*e.g.* size and borders)
- Distribution system (*e.g.* ticketing)
- Fare system (*e.g.* fares, ticket types)
- Marketing for the launch of the system (*e.g.* kick-off advertising)
- Specific professional consulting (*e.g.* legislation, technical requirements)
Local Public Transport System in Frankfurt

Customers
- 200 million per year

Network
- 9 Underground Light metro Lines
- 10 Tram Lines
- 59 Bus Lines
- 9 Nightbus Lines

Infrastructure
- 130 kilometers of rail network
- 230 kilometers of bus network
Local Public Transport System in Frankfurt - Corporate Design

From TraffiQ
Contracts in Frankfurt Public Transport

Buses

- Local bus lines tendering in 5 lots (8 in future)
- Several private bus companies are on the market
- Easy accessible infrastructure

Light rail (trams and light metro)

- Direct awarding to VGF (city owned public transport company)
- Mergence between infrastructure and vehicles, difficult for other companies to run on Frankfurts rails
- Political decision
The Tendered Bus System in Frankfurt

Key data

- 5 lots/bundle of bus lines
- approx. 2-3 million km per year on each lot
- Economic bundling
- Bundling of profitable and less-profitable lines
- Bundling in order to reach smaller and medium-sized business companies as target group
- Level of service has been increasing
Cost savings and quality gains through tendering of bus operations

Example – Bus services in Frankfurt/Main
Responsible entity - Public Transport Regulatory Authority of the city of Frankfurt (traffiQ)

- Service contracts for 5 lots of bus lines
- Annually 2-3 Mio. VKT per lot
- Bundling of profitable and less profitable lines
- Private and municipal operators
- Still one unified “brand”
- Increase in cost efficiency, per vkm costs reduced by aprox 25 %
- Increased service quality
Instruments for quality management

- Agreement on common quality and environmental standards between transport operators (via the Alliances)
- Quality standards being part of the service contracts; controlled by the responsible authorities (assessing punctuality etc.)
- Measuring passenger satisfaction (e.g. “railway passenger barometer” of the German NGO Verkehrsclub Deutschland (VCD))
- Complaints management
The example of Copenhagen - Customer satisfaction as a basis for bonus scheme

- Clean exterior, condition of bus
- Cleanliness inside the bus
- Condition of interior furnishings of bus
- Temperature
- Air conditioning
- Limiting noise and vibration
- Adherence to schedules, punctuality
- Style of driving
- Driver’s conduct towards passengers
- General appearance and behaviour of driver
1. We leave on schedule.
2. We will not leave early.
3. You will be informed of an approaching stop.
4. You will always know where we are going.
5. Information will be available before you board.
6. Information will be available on board.
7. We will answer your questions.
8. You will be informed when things go wrong.
9. Carriers will be clean, making your journey pleasant.
10. We will reply when you write to us.
We will listen to you.
We pay if you arrive late.
New Publication:

Transit Alliances – Towards Fully Integrated Public Transport

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GIZ SUTP project
sutp@sutp.org
transport@gtz.de
Institutional framework of Germany: Local Public Transport as a part of Public Service

Basic Law for the Federal Republic of Germany (German constitution)
The principle of Public Service is not described in detail in the Basic Law of Germany, but:
• Federal Government guarantees adequate rail infrastructure and services
• Liability to financing local public transport

Art. 28 Abs. 2 „Municipalities must be guaranteed the right to regulate all local affairs in their own responsibility, within the limits prescribed by the laws."

Art. 72 Abs. 2 “… the establishment of equivalent living conditions throughout the federal territory…” as constitutional aim with relevance for local public transport

Art. 87e A. 4 „The Federation shall ensure that in developing and maintaining the federal railway system as well as in offering services over this system. Other than local passenger services, due account is taken of the interests and especially the transportation needs of the public. Details shall be regulated by a federal law."

Art 106a „Beginning 1 January 1996 the Länder shall be entitled to an allocation of federal tax revenues for purposes of local mass transit. Details shall be regulated by a federal law requiring the consent of the Bundesrat. Allocations made pursuant to the first sentence of this Article shall not be taken into account in determining the financial capacity of a Land under paragraph (2) of Article 107."

Determining responsibilities and financial contributions for local public transport services:

Regional Transport Law (RegG)
§ 1 Public Task, Responsibility
(1) Guarantee of adequate public transport services for the population is part of the Public Service.
(2) The responsibilities for this task will be determined by federal state law.

Federal State Laws for Public Transport

Local Railway Public Transport:
• Federal state as authority: Bavaria, Brandenburg, Mecklenburg-Vorpommern, Saarland, Schleswig-Holstein und Thuringia
• Transit alliance as authority: Hesse, North Rhine-Westphalia
• Other federal states: combined solutions

Local Road Public Transport:
• Authority: Rural and urban districts

Federal contributions to financing public transport infrastructure:
Municipal Transport Financing Law (GVFG) - Federal subsidy for projects exceeding 50 Mio. €

Unbundling Law (EntflechtG) - Federal law which reorganizes the distribution of financial contributions between Federal Government, Federal States and municipalities (terminating in 2019, for the period post 2019 a new regulation is expected)

Unbundling Law (EntflechtG)

http://www.gesetze-im-internet.de/regg/

http://www.gesetze-im-internet.de/gvfg/

http://www.gesetze-im-internet.de/entflechtg/