PROJECT

ISOTOPE

Improved Structure and Organisation for Urban Transport
Operations of Passengers in Europe

**Funding:** European (4th RTD Framework Programme)
**Duration:** Dec 1995 - May 1997
**Status:** Complete with results

**Background & policy context:**

Recent trends in lifestyle, mobility patterns and living standards have reduced dependency on public transport. However, as a consequent of this the problems of congestion and pollution in urban centres have created a ‘collective need’ for the use of public transport, alongside pressures to increase competition in this sector. The question arises, what is the best way of organising public transport to attract passengers while ensuring operational/cost efficiency?

**Objectives:**

The aim of the project was to assess the relative merits of existing legal and organisational frameworks for Urban Public Transport (UPT) across Europe, and identify areas for improvement.

**Related Projects:**

- MINIMISE - Managing interoperability by improvements in transport system organisation in Europe.
- QUATTRO - Quality approach in tendering urban public transport operations.

**Parent Programmes:**

FP4-TRANSPORT - Specific research, technological development and demonstration programme in the field of transport, 1994-1998

**Institute type:** Public institution

**Institute name:** European Commission; Directorate-General for Energy and Transport (DG TREN; formerly DG VII)

**Funding type:** Public (EU)

**Partners:**

NA

**Organisation:** Transportes, Inovacao e Sistemas

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**Key Results:**

The project concluded that:

- the initiative for creating and specifying the UPT network should rest with local authorities - a fully deregulated system was found not to address collective goals and system integration in an adequate way;
- network design should be under the control of the administrative authority, although the design work may be contracted out;
- a UPT authority must include representation from the communities directly affected by the UPT system;
- traffic management and parking should be controlled by the same authority as the UPT, in order to integrate the management of urban mobility;
- a regime of ‘limited competition’, where authorities define the transport product to be delivered and invite tenders for its execution by candidate operators is to be preferred over full regulation (monopoly supply) or full deregulation;
- in order to tackle urban mobility problems, partnerships between operators and authorities should be established that include clear definitions of standards of service and responsibilities.

Overall, the project found support for the Citizens’ Network (EC Green Paper) preference for some form of limited competition. Various forms of contract appropriate to this regime were identified, with special consideration to the case of rail-based systems. ISOTOPE concluded that reductions in unit operating costs of around 15% are feasible over fully regulated operations, even with no redundancies or wage reductions.

**Policy implications**

The project presents limited competition as a preferred regime. However, it is acknowledged that transition costs are significant.

Policy goals, like fare integration, concessionary fares and employment of minorities can be accommodated within the tender conditions of limited competition. Improved access to development areas, congestion and pollution issues can be handled by retaining public control of network design.

Any move to comprehensive competitive tendering would require improved data collection, to enable value for money to be assessed in the use of taxpayers’ money.

**STRIA Roadmaps:** Smart mobility and services

**Transport policies:** Decarbonisation, Societal/Economic issues