

LOCAL PUBLIC TRANSPORT IN ITALY

LEGAL, FINANCIAL AND SOCIAL FRAMEWORK OF THE SECTOR

UITP SUSTAINABLE WORKING GROUP MEETING

ROME, 18 MARCH 2004



ASSTRA – Italian Association representing local public transport companies

207 Members

providing transport services by:

- Bus transport**
- Underground**
- Tramway**
- Light railway**
- Regional railway**
- Trolleybus transport**
- Waterway transport**

ASSTRA – Associazione Trasporti

represents :

- **100% urban transport**
- **about 75% extra-urban and regional transport**
- **100.000 employees over 120.000 = total personnel in LPT sector)**

ASSTRA – Associazione Trasporti

- **5 Billion passengers/year**
- **210.000 Km of network**
- **5.000 served Municipalities**
- **35.000 vehicles**
- **1,5 Billion Km/year**
- **5,5 Billion Euros of turnover**

LEGAL FRAMEWORK

- **Legislative decree n. 422/97 (as amended by **Legislative decree n. 400/99**)**
 - Definition and classification of local public transport services
 - Regionalization (transfer to the Regions of legislative, organisational and funding competence for regional and local public transport)
 - Definition of the so-called minimum services
 - Distinction between “operational” level and “strategic” level (Operator and Authority)
 - Public service contract
 - Privatization process
 - Competition for the market

LEGAL FRAMEWORK

- **Minimum services:** those services sufficient to satisfy the citizens demand for mobility both from a qualitative and a quantitative point of view. Their provision is charged to the Regions accounts. Municipalities and Provinces can set up additional services at their own expense.
- **Public service contract:** Legislative decree n. 422/97, in conformity with European legislation, states that the relationship between Local Authorities and operators has to be regulated by a service contract. This has to assure the achieving of a ratio of 0,35 between revenues from passenger transport and operating costs excluding costs for infrastructures. Such contract lasts no longer than 9 years.

LEGAL FRAMEWORK

● Privatization

- Legislative decree n. 422/97 started a privatization process in the sector providing incentives (i.e. direct award for 5 years) for local public transport undertakings to become limited companies.
- Amendments in legislative decree n. 400/99 made the transformation into limited companies mandatory by December 31st, 2000, under penalty of annulment of the existing direct awards.
- The transformation into limited companies was carried out following simplified procedures introduced by law 127/97 (Bassanini-bis), i.e. by simple resolution of the owner Local Authority.

LEGAL FRAMEWORK

- **Competition**

- Principle of competition for the market: the only way to award local public services is tendering system. The operator has to be selected by tendering procedure in conformity with European legislation by and not later than December 31st, 2003.
- Expectation of a transition period (during which the existing direct awards can be retained) at the latest up to December 31st, 2003.
- Regional rules can anticipate the above deadline.

LEGAL FRAMEWORK- Regional level

Regional laws implementing 422/97

- ABRUZZO Law 23-12-1998, n. 152
- BASILICATA Law 27-07-1998, n. 22
- CALABRIA Law 07-08-1999, n. 23
- CAMPANIA Law 28-03-2002, n. 3
- EMILIA ROMAGNA Law 02-10-1998, n. 30
- LAZIO Law 16-07-1998, n. 30
- LIGURIA Law 09-09-1998, n. 31
- LOMBARDIA Law 29-10-1998, n. 22
- MARCHE Law 24-12-1998, n. 45
- MOLISE Law 24-03-2000, n. 19
- PIEMONTE Law 04-01-2000, n. 1
- PUGLIA Law 31.10.2002, n. 18
- TOSCANA Law 31-07-1998, n. 42
- UMBRIA Law 18-11-1998, n. 37
- VENETO Law 30-10-1998, n. 25

LEGAL FRAMEWORK – first output of the Reform

In Italy contracts have been awarded by tendering in the following Regions:

- Basilicata**
- Campania**
- Friuli Venezia-Giulia**
- Lazio**
- Liguria**
- Lombardia**
- Puglia**
- Umbria**
- Valle d'Aosta**

State of the art of the tendering system

- **Awarded contracts:**
 - 9 contracts in Lombardia
 - 4 contracts in Liguria
 - 1 contract in Valle d'Aosta (6 lots)
 - 1 contract in Basilicata
 - 1 contract in Campania
 - 1 contract in Lazio (3 lots)
 - 1 contracts in Friuli Venezia-Giulia (4 lots)

Tendering: current situation

- **tendering in progress:**
 - 9 tenders in Lombardia
 - 1 tender in Umbria
 - 1 tender in Puglia
- **“Desert public tenders”:**
 - 3 tendering in Lombardia (among which 2 have been called for again and are currently in progress)

LEGAL FRAMEWORK: LAST CHANGES

- Art. 14 in decree 269/2003 has amended art. 113 in T.U.E.L. (Consolidation Act on Local Authorities Regulations) regulating local public utilities (water-waste-gas-electricity-local transport).
- This law aims at reforming the organisation and award of local public utilities. The rules are **imperative** and they **integrate** the sector rules, included transport. Furthermore, they are measures guarding competition.

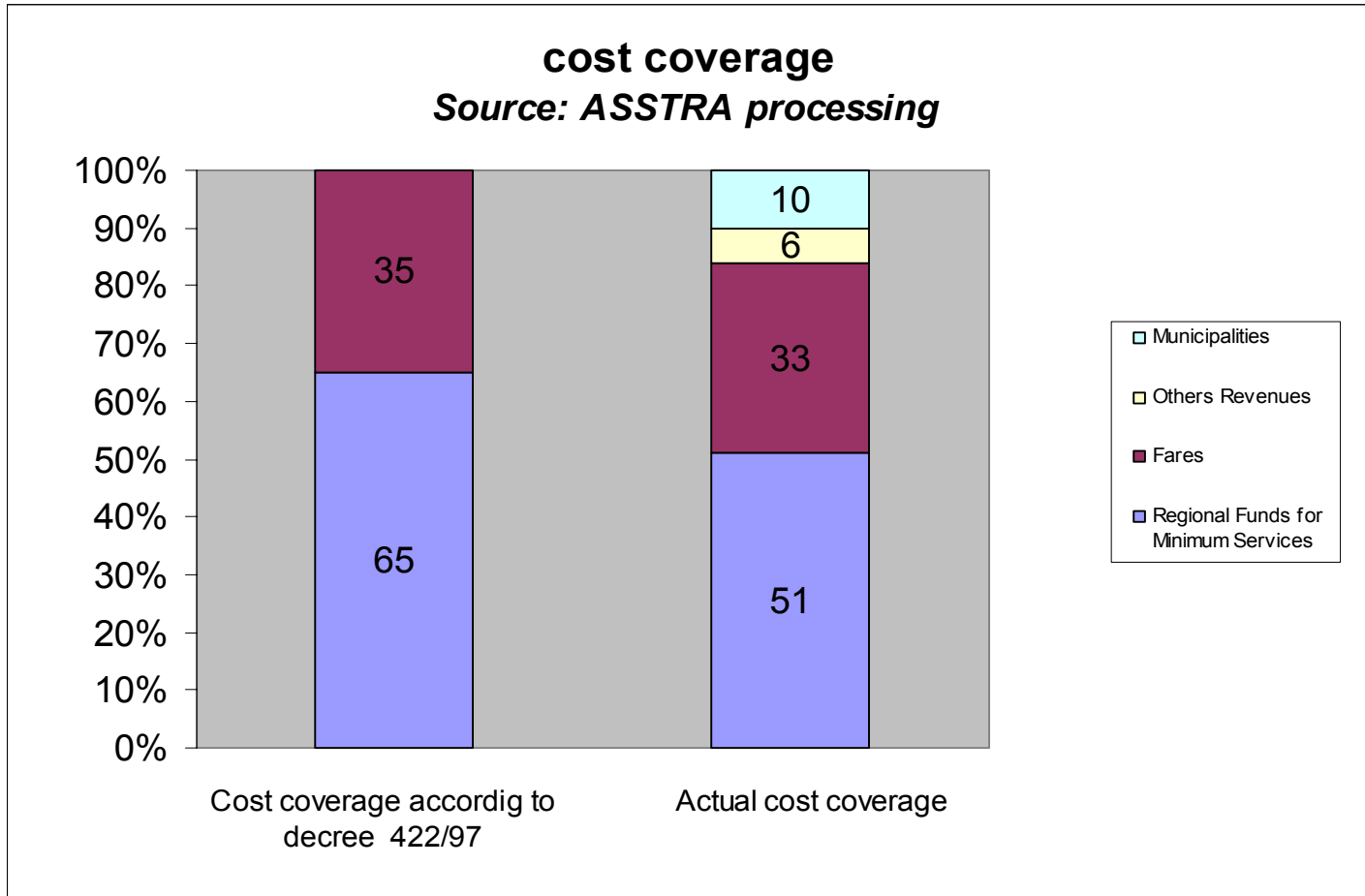
LEGAL FRAMEWORK: LAST CHANGES from art. 14

- **Public service can be awarded to:**
 - a) Limited companies selected by tendering**
 - b) Limited companies with mixed public/private capital, with the private partner selected by tendering**
 - c) Companies with 100% public capital, controlled by the public authority and operating their main activity on behalf of the public authority itself (in-house award).**
- **The transition period ends by December 31st, 2006, except for the in-house companies and those companies having selected the private partner by tendering**

LEGAL FRAMEWORK : LAST AND ONGOING CHANGES

- In the bill regulating environmental matters - brought before the Parliament some months ago – has been introduced an amendment establishing the exclusion of the local public transport from the scope of art. 14. The draft law could be enforced by the end of March 2004.
- Art. 23 in decree 355/2003 – postpone the expiry of the transition period of the decree 422/1997 to 31.12.2005.

COST COVERAGE LPT



Regional Funds cover only 51% of the costs for minimum services. Those funds should cover at least the 65% of the costs according to the decree 422/97

FUNDING SYSTEM – Regional funds trend over time

Regioni e Province Autonome	EX F.N.T. 1996 Valori in Euro	EX F.N.T. 2001 Valori in Euro	EX F.N.T. 2002 Valori in Euro	EX F.N.T. 2003 Valori in Euro (non definitivi)
Abruzzo	53.431.150,61	69.721.681,00	71.800.000,00	71.800.000,00
Basilicata	30.212.728,60	30.987.414,00	28.000.000,00	28.000.000,00
Calabria	95.662.651,90	85.610.354,00	85.629.685,00	85.629.685,00
Campania	296.523.988,39	344.476.752,00	351.190.691,00	351.190.691,00
Emilia	180.501.686,23	179.727.001,00	193.671.337,00	193.671.337,00
Friuli Ven. Giulia	84.000.000,00	96.319.212,00	100.500.000,00	99.450.000,00
Lazio	413.443.054,95	401.287.011,00	395.542.484,00	399.322.985,00
Liguria	118.785.086,79	117.132.425,00	117.132.425,00	117.132.425,00
Lombardia	499.281.463,33	508.710.046,00	511.118.801,00	511.118.801,00
Marche	53.322.713,77	58.876.086,00	59.625.430,00	59.625.430,00
Molise	14.841.421,91	16.010.164,00	15.868.753,00	15.868.753,00
Piemonte	221.209.835,92	228.532.178,00	260.810.734,00	260.810.734,00
Puglia	128.081.310,97	127.777.634,00	127.777.634,00	127.777.635,00
Sardegna	72.201.000,00	83.459.000,00	83.459.000,00	83.459.000,00
Sicilia	184.873.000,00	188.561.000,00	188.561.000,00	188.561.000,00
Toscana	183.818.242,29	179.727.001,00	190.572.596,00	190.572.596,00
Umbria	35.190.437,80	35.893.754,00	37.184.897,00	37.892.442,00
Valle D'Aosta	13.928.000,00	14.460.793,00	14.460.000,00	14.800.000,00
Veneto	200.172.785,30	198.492.064,00	193.905.000,00	198.998.245,00
Prov. Aut. Trento	39.763.000,00	48.934.292,00	49.740.000,00	49.907.812,00
Prov. Aut. Bolzano	32.537.000,00	42.607.694,00	31.000.000,00	43.873.013,00
TOTALE (Euro)	2.951.780.558,78	3.057.303.556,00	3.107.550.467,00	3.129.462.584,00

Percentage of Regional funds growth from 1996 to 2003

6,02 %

Growth of real inflation rate from 1996 to 2003

17,36 %

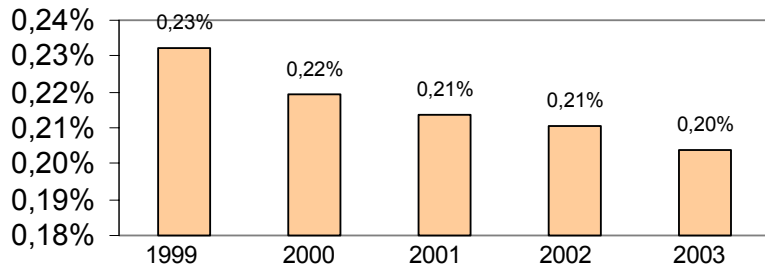
Trend of the fares in the biggest Italian cities

CITTA'	AZIENDA	biglietto ordinario			abbonamento mensile intera rete		
		01/01/2002	01/03/2004	variaz. %	01/01/2002	01/03/2004	variaz. %
ANCONA	CONEROBUS	0,80	0,80	0,00	22,50	22,50	0,00
BARI	AMTAB	0,77	0,77	0,00	30,99	30,99	0,00
BOLOGNA	ATC	0,90	1,00	11,11	29,00	30,00	3,45
CAGLIARI	CTM	0,77	0,77	0,00	23,24	23,24	0,00
CATANIA	AMT	0,80	0,80	0,00	36,00	36,00	0,00
FIRENZE	ATAF	1,00	1,00	0,00	31,00	31,00	0,00
MILANO	ATM	1,00	1,00	0,00	30,00	30,00	0,00
NAPOLI	ANM	0,77	1,00	29,87	23,24	30,00	29,09
PALERMO	AMAT	0,77	1,00	29,87	41,32	46,65	12,90
PADOVA	APS	0,83	0,85	2,41	21,69	23,00	6,04
PERUGIA	APM	0,80	0,80	0,00	35,00	35,00	0,00
ROMA	ATAC	0,77	1,00	29,87	25,80	30,00	16,28
TARANTO	AMAT	0,80	0,80	0,00	30,00	30,00	0,00
TORINO	ATM	0,77	0,90	16,88	27,37	29,00	5,96
TRENTO	ATESINA	0,80	0,80	0,00	21,69	22,00	1,43
TRIESTE	TT	0,80	0,90	12,50	21,20	22,75	7,31
VENEZIA	ACTV	0,77	0,77	0,00	22,78	25,00	9,75

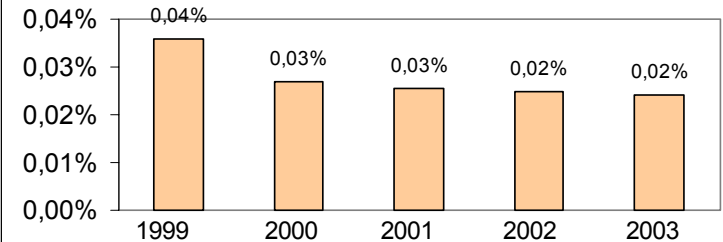
There have been recently some tariff growth in Bologna, Torino, Roma, Napoli and Palermo as in those cities the fares had not grown for long

NATIONAL EXPENSE FOR LOCAL PUBLIC TRANSPORT

Incidence of the expense for LPT operating cost on GDP

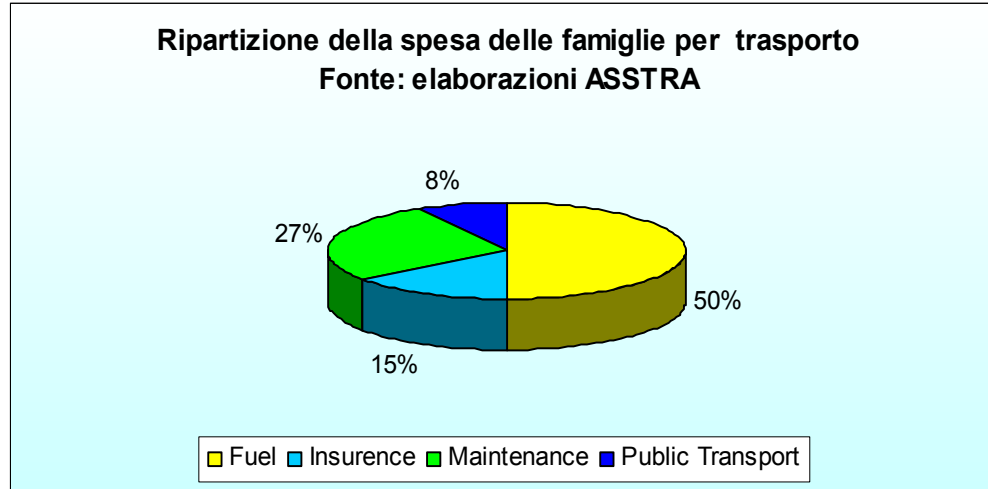


Incidence of the expense for LPT investment on GDP



As regards national GDP the national expense for LPT is in continuous decrease

Italian families expense for private and public transport



Italian families spend around 314 Euro monthly for private transport against 26 Euro spent for collective transport (8%)

FUEL : 170 € monthly

INSURENCE: 51 € monthly

MAINTENANCE, PARKING: 93 € monthly

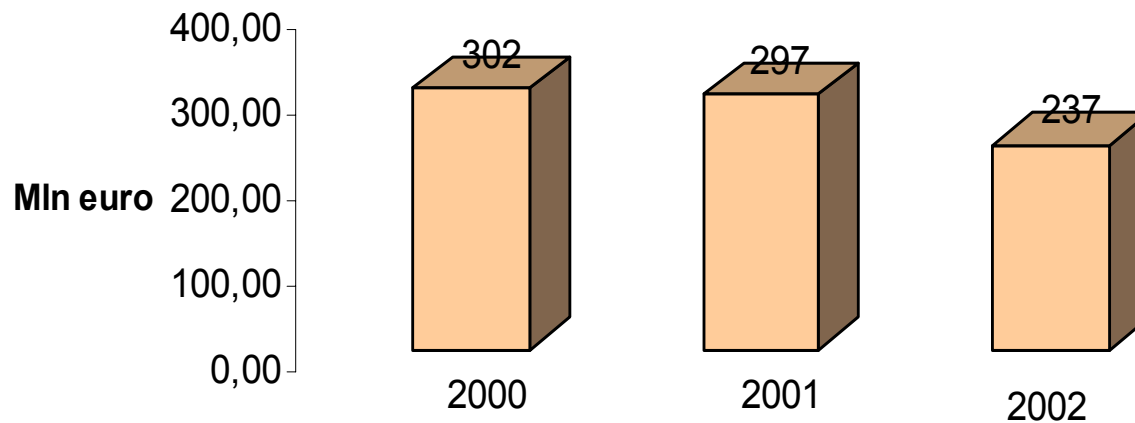
LOCAL PUBLIC TRANSPORT: 26 € monthly

Investments for transport means

Expense for BUSES purchasing

Source: *ASSTRA*

The amount is in Millions Euro and includes all kind of funding
(public funds and self-funding)



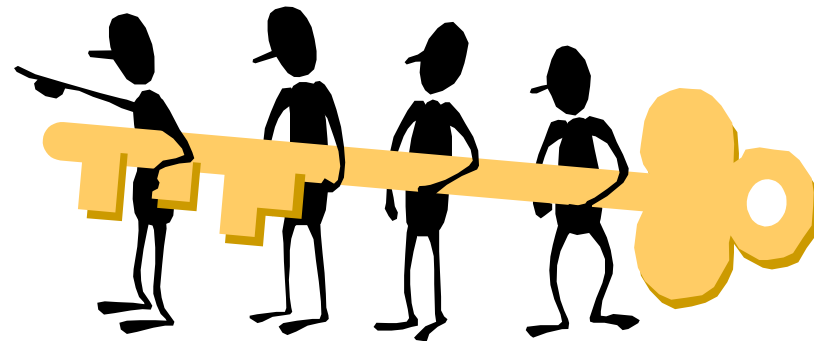
National expense for purchasing new buses is in continuous decrease

**WITH SUCH A REFERENCE FRAMEWORK,
WHAT CAN PUBLIC TRANSPORT
COMPANIES AND THE ASSOCIATION DO
FOR SUSTAINABLE MOBILITY?**



**STATE OF THE ART
OF THE PUBLIC
TRANSPORT OFFER**

**ASSTRA
INITIATIVES**

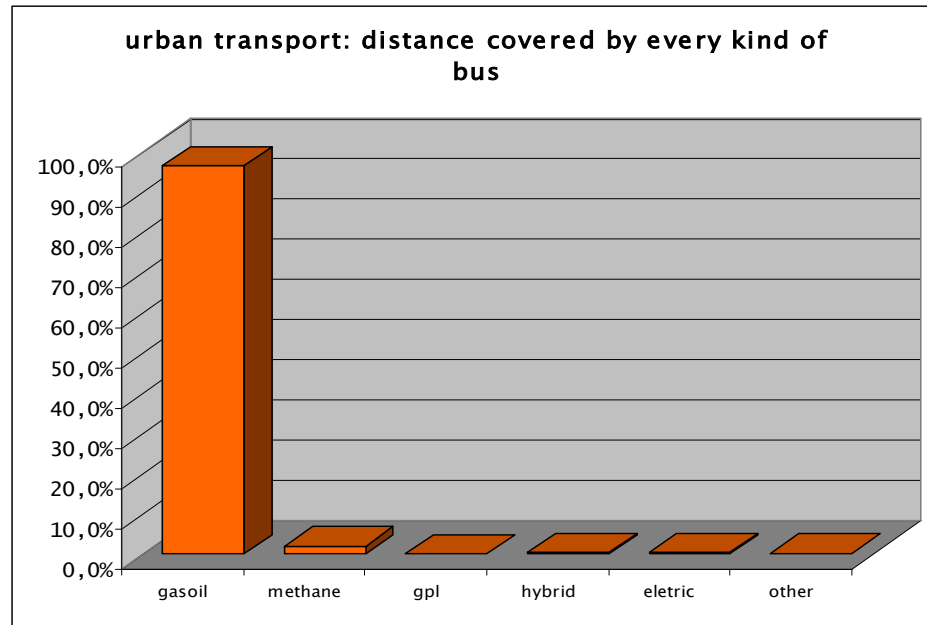


VEHICLES PROVISION

Fleet	N. Vehicles	Source
Bus	33.000	Asstra (data 2001)
Trolleybus	437	TPL 2000 (data 2001)
Tramway	895	TPL 2000 (data 2001)
Metropolitan	1.277	TPL 2000 (data 2001)
TOTAL	35.609	

Conventional bus	31.916	(ASSTRA processing)
Methane	542	(Source TPL 2000 – data 2001)
Electric	253	(Source TPL 2000 – data 2001)
Hybrid electric	203	(Source TPL 2000 – data 2001)
Diesel electric	55	(Source TPL 2000 – data 2001)
GPL	31	(Source TPL 2000 – data 2001)

Modal split of the BUS sector

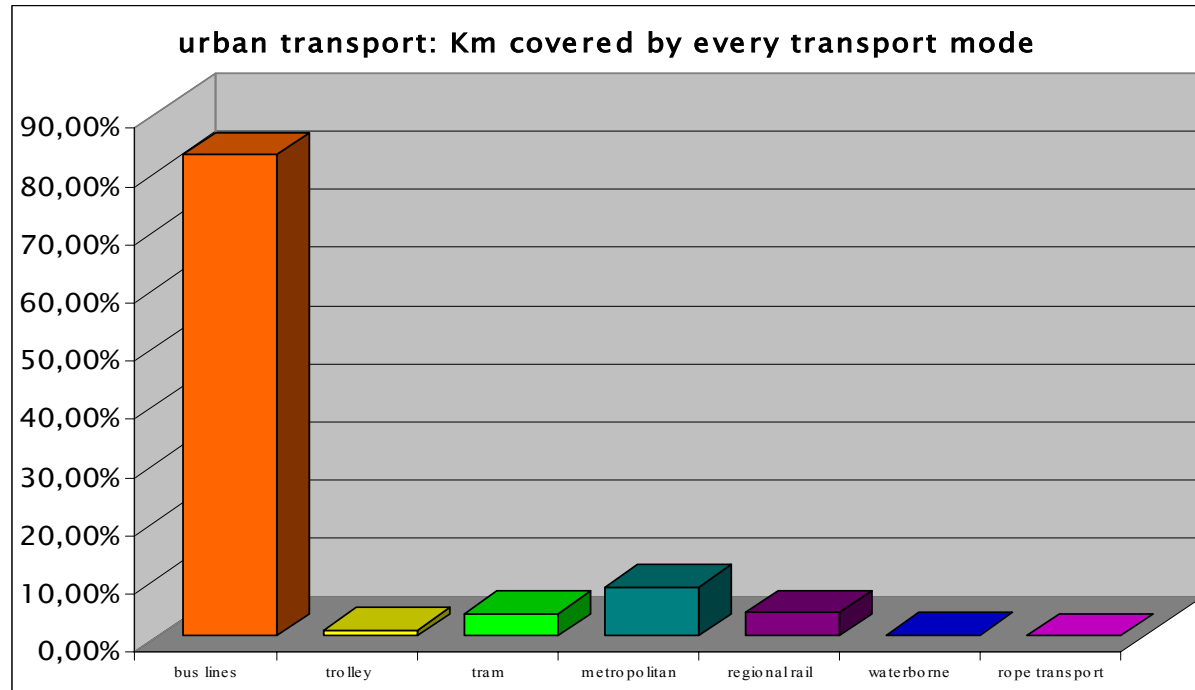


gasoil fueled	275.441.815	96,8%
methane fueled	5.923.792	2,1%
GPL fueled	0	0,0%
Hybrid	1.536.791	0,5%
Electric	1.328.421	0,5%
Other	729.350	0,3%
TOTAL	284.690.169	

**The distances covered by methane fueled buses are growing up (2,1%)
Further, there is a small grow of electric and hybrid buses (0,5%)**

[Source Asstra, 7a Commissione Comitato Consultivo]

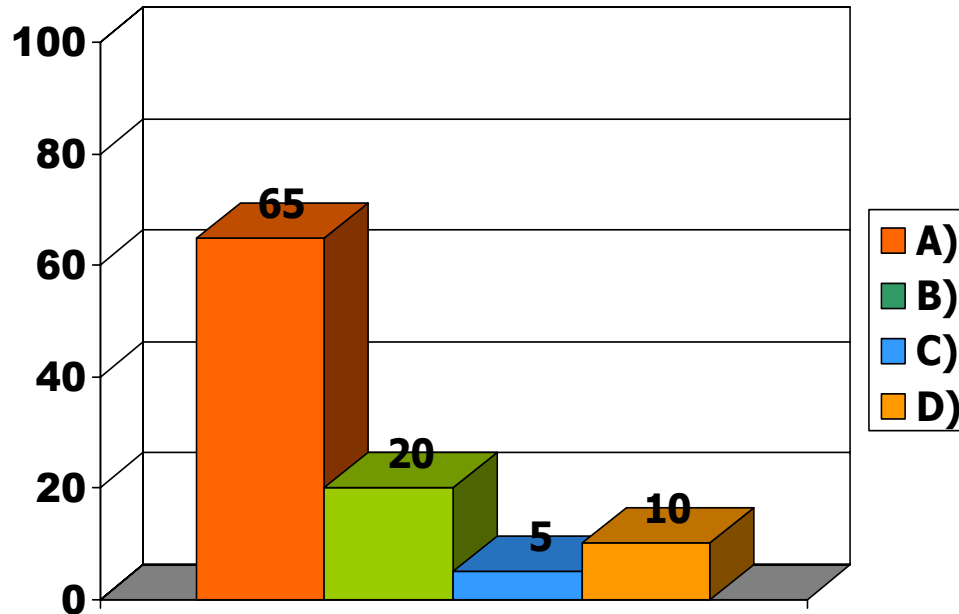
Urban public transport modal split



Even though transport by bus is still the prevalent mode of urban public transport compared with tram, trolley and metro, recently the trolley systems have been increasing. In 2003 new trolley lines have been implemented and others are to be implemented.

[Source Asstra, 7a Commissione Comitato Consultivo]

New transport services: innovative and flexible transport systems



A) ON-DEMAND SERVICES (65%)

B) CAR SHARING (20%)

C) CAR POOLING (5%)

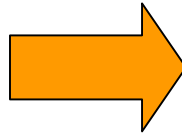
D) COLLECTIVE TAXI (10%)

The 37.1% of ASSTRA companies have projects of flexible services, among which the 65% are on-demand services

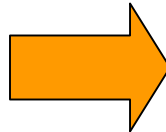
[Source Asstra, 7a Commissione Comitato Consultivo].

ASSTRA activities for sustainable mobility: the partnership with Institutions

Memorandum of Understanding with Ministry of the Environment



Memorandum of understanding with ENEA (Italian Agency for new new technologies, energy and environment)



Some activities implemented in accordance with the objectives set by these protocols:

Quality - Environment System

Aimed at introducing in transport companies integrated Systems for Quality and Environmental Management, in compliance with the requirements of standards UNI EN ISO 9001 and UNI EN ISO 14001.

Training for Mobility and Energy Managers

Guidelines for Local Public Transport System Noise Monitoring Plan

Since 1998 ASSTRA has been carrying out many initiatives to change the actual cultural approach of the people to the mobility, in partnership with Environmental Associations, Organizations representing Citizens, industries, etc.



Publicity Campaigns: advertising for public transport

Above: "Those who use public transport protect their own species"

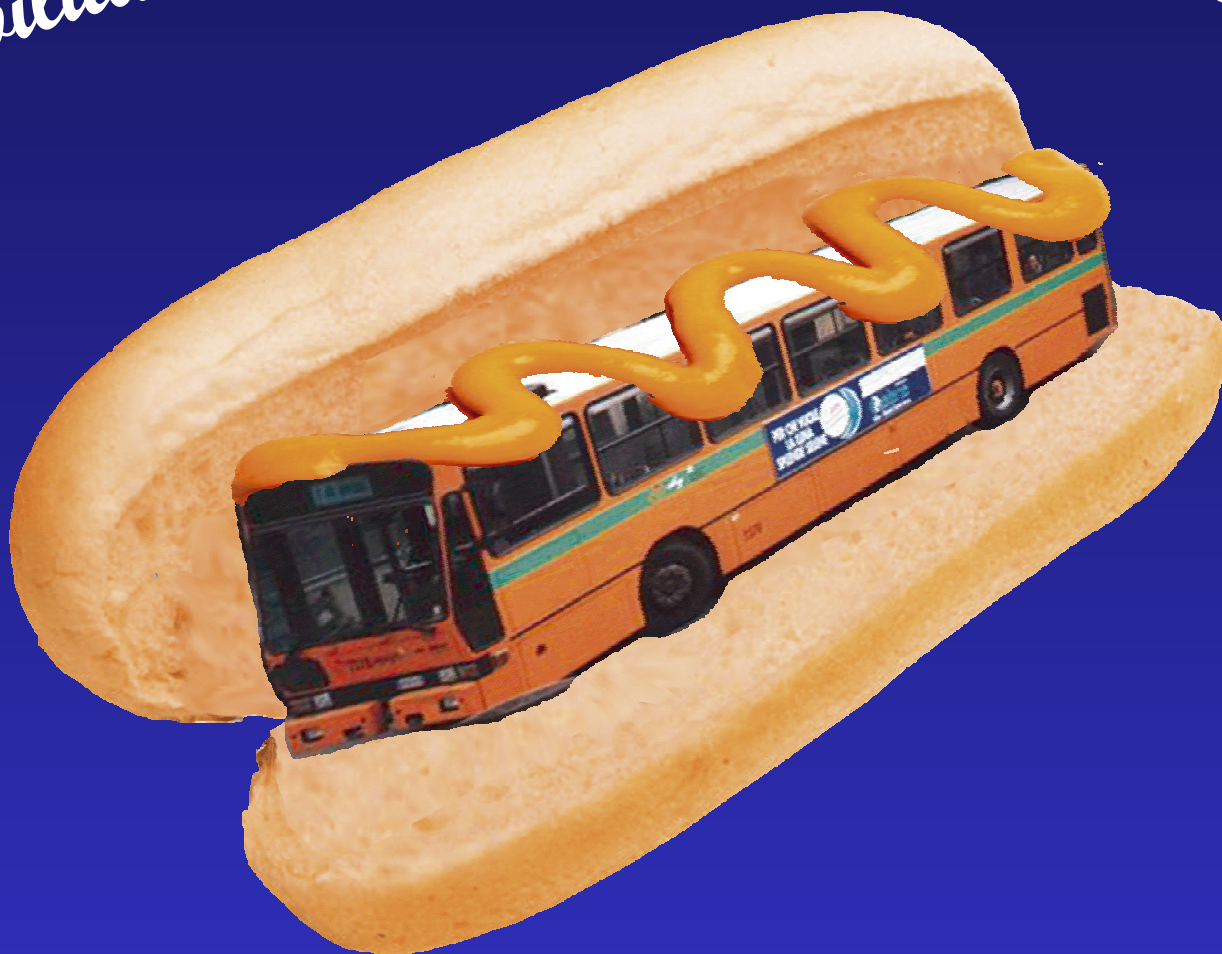
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Ticket Trasporto

Conferenza Stampa – Roma, 12 novembre 2002

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