OPEN ACCESS PASSENGER RAIL COMPETITION – THE CASE STUDY OF AUSTRIA

Coexistence of open access and public service obligations

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TALK OUTLINE

- Introduction
  - General | Regulatory framework | Organisational conditions
- Public rail passenger transport services
  - Status quo & Public service contracts
- Open access
  - competitive services: status quo | experiences | challenges
- Overall goal
INTRODUCTION

General | Statistics

Infrastructure:
• The Austrian rail network extends to approx. 5,660 km, including approx. 3,500 km of priority routes (high-quality, highly developed).
• Austria ranks second in terms of per capita investments in rail infrastructure behind Switzerland – but (far) ahead of other E.U.-member states.

Public (rail) passenger transport:
• Austria ranked 2012 second within the E.U. (after CZ) in terms of passenger-kilometre (incl. bus services) but ranks first in terms of rail passenger-kilometre.
• Passenger transport denotes high modal split rates (25%) and high per capita degrees of utilisation of rail transport.
INTRODUCTION

General | Rail infrastructure

Rail infrastructure in Austria

Since 2007 approx. 150 km of new infrastructure have been opened, e.g., core network segments Vienna – St. Pölten (60km), Unterinntal (40km).

By 2026 another 300 km of new infrastructure will be finished, among those the 3 tunnels: Koralmbahn (130km), Semmering and Brenner Base Tunnels.
INTRODUCTION

General | Rail infrastructure
INTRODUCTION

General | High level public transport in AUT

Austrians are busy public transport users

EU28-average: 1'949 (2000: 1'991)

Source: EU-Commission, VCÖ 2013 (graph: bmvit)
INTRODUCTION

General | High level public transport in AUT

perceptible success!

- Recent increases compared to road transport

  2010-2014:
  
  rail passenger-km  + 12%
  
  rail passengers  + 15%
  
  road transport service  + 4%
  
  (federal network + cat. B)

- Austria: “rail passenger nation n°1 of E.U.”

  (again 2014: 1,426 km)
INTRODUCTION

Regulatory framework

REGULATION (EC) No. 1370/2007
Local and Regional Public Passenger Transport Act 1999
(ÖPNRV-G 1999)
§ 48 Bundesbahngesetz (Federal Railway Act)
§ 4 Privatbahngesetz 2004 (Private Railway Act)

Bundesvergabegesetz 2006 (Public Procurement Act)
Eisenbahngesetz 1957 (Railway Act)
INTRODUCTION

Regulatory framework

- **Open access in Austria according to First Railway Directive 91/440/EC de jure since 1998**

- According to Art. 57 para. 1 Railway Act railway operator…
  - has to be based in Austria or
  - conduct international passenger transport services

  [...]  

- With the Fourth Railway Package to come the obligation of an Austrian office will be abolished and cabotage be enabled.
INTRODUCTION

Organisational conditions

- Dominance of unprofitable traffics | public service obligations (psO)
- Duality of public authorities due to the Local and Regional Public Passenger Transport Act 1999
  - Art. 7: Responsibility of federal authority to guarantee a basic supply of services in local and regional public transport by rail to the extent of the services ordered or provided in the timetable year 1999/2000.
  - Art. 11 and 13: Responsibility of regional and local authorities (provinces and municipalities) to plan demand-oriented transport services (reduction, expansion or restructuring of transport services) and to add services.
INTRODUCTION

Organisational conditions | integrated transport alliances

- *Regional and local authorities can authorise transport alliances with responsibilities according to Art. 11.*
- Integrated transport alliances ("Verkehrsverbünde"): Areas with integrated public transport system (esp. in terms of tariffs)
- 6 organisations corresponding to provinces *and*
- Eastern region (Vienna, Lower Austria, Burgenland): 1 organisation
INTRODUCTION

Organisational conditions | integrated transport alliances
PUBLIC RAIL PASSENGER TRANSPORT SERVICES
Status quo | public service contracts

Direct awards of public rail passenger services
• Article 5 para. 6 of REGULATION (EC) 1370/2007
• Possibility to premature termination of service bundles (lots) ➔ public tender

Contract period: 10 years

Bonus malus system to improve quality of services

Volumes:
ÖBB-PV AG – approx. 72 million km p.a.
private rail companies – approx. 6 million km p.a.

Compensation:
ÖBB-PV AG – approx. 636 million EUR p.a.\textsuperscript{2014}
private rail companies – approx. 52 million EUR p.a.\textsuperscript{2014}
PUBLIC RAIL PASSENGER TRANSPORT SERVICES

Status quo | volumes

Volume of annual rail passenger services
(own est. in m. rail-km$^{2012}$)
PUBLIC RAIL PASSENGER TRANSPORT SERVICES

Status quo | regional rail transport

source: ÖBB-PV AG
PUBLIC RAIL PASSENGER TRANSPORT SERVICES

Status quo | intercity rail transport

competitive intercity services
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Competitive services | status quo

• Since December 2011 the “private” operator WESTbahn Management GmbH offers intercity transport services between Vienna and Salzburg
  • Commercial services (both, ÖBB-PV AG and WESTbahn) on this line
• WESTbahn:
  • Own tariff and ticketing system
  • No cross ticket acceptance except for tariffs (e.g., seasonal tickets) of local traffic in Upper Austria (member of transport alliance)
  • Cancelled membership in Eastern Region and Salzburg
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Competitive services | experiences

- Incentive for incumbent
  - increased focus on efficiency and productivity
  - increased customer orientation
- Boost of supplied transport services
- Increased variety of ancillary services and tariffs
- Image revision
- Conflicting interests: optimum (integrated) timetable vs. skimming services
- Constraints: network capacities and stability of services
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Relativisation | comparability of statistics?

In order to put quick conclusions into perspective:

• Changes in financing pso and modifications of network charges
• Dec. 2012: high-speed line (Wienerwald tunnel) brought into service
• Overall travel time Vienna – Linz – Salzburg since then below private transport
• Collaterally and increasingly: implementation of “Park&Ride” facilities commercial control over parking space sections with reduced speed limits (motorways)
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Competitive services | challenges

Mixture of pso- and non-pso-intercity rail transport
  • System to guarantee integrated timetables and to ensure open routes
  • System to guarantee direct connections
  • Capacity allocation (non-discriminating)
  • Open access vs. pso-traffics (priority for pso-traffics?)

Integration and transparency of tariffs
  • Easy access
  • One ticket / one-stop shop

Competition through long-distance busses (cheaper fares, faster services)
OVERALL GOAL
Integrated synchronised timetable (ITF)

- Coordination +
- Speed +
- Supply +
OVERALL GOAL
Integrated synchronised timetable (ITF)

- Increase share of public passenger transport, esp. by raising shifting potentials
- Reduction of travel times in public transport and strengthening rail transport for intermodal competition
- Facilitation of planning processes for traffic and infrastructure managers
- Establishing network requirements for optimum integration of all means of public transport and an optimum (demand-oriented) disposal of supply of services
REFERENCES

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http://www.bmvit.gv.at/verkehr/gesamtverkehr/ausbauplan/index.html
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Fact sheets:
http://www.bmvit.gv.at/verkehr/gesamtverkehr/gvp/faktenblaetter/index.html

Study examining European experiences of public tenders of rail public passenger transport services

Information on PSO et al.:
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data sources (esp. images and graphs): bmvit, oebb, asfinag, spirit design, parlament.gv.at, Planai-Hochwurzen-Bahnen, fanpage-der-wiener-linien, wikimedia
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