

The effects of liberalisation of the passenger railway market on the situation of regional rail connections in Poland, Czech Republic, Slovakia and Austria



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Regional railway lines in the networks of Poland, Czech Republic, Slovakia and Austria

- ❑ The delimitation of regional (or local) railway lines – especially in the analysis which considers several countries – is not unequivocal as no universal international criteria exist
- ❑ Generally lines which do not belong to any network of national significance and which are characterised by relatively low technical parameters (a low minimum curve radius, a high maximum gradient and low quality of the track)
- ❑ In Central Europe local railway lines were mostly built between about 1880 and 1914, once the main networks had been constructed.
- ❑ The main aim of local railways was to connect towns of local importance, industrial plants or tourist resorts with the main railway line



The regional railway liberalisation in Poland

- ❑ 1991 - the first steps in the liberalisation process of the Polish State Railways (PKP) - the national company divested over 70 of its businesses, mainly constructing and track repairing companies
- ❑ 2000 - the law about commercialisation, restructuring and privatisation of the PKP was passed and the liberalisation of rail services began
- ❑ 2008 - the amendment to the commercialisation law was passed; it divested the regional services (PR) from the national railway company and made the regional governments their owner – a unique and controversial solution

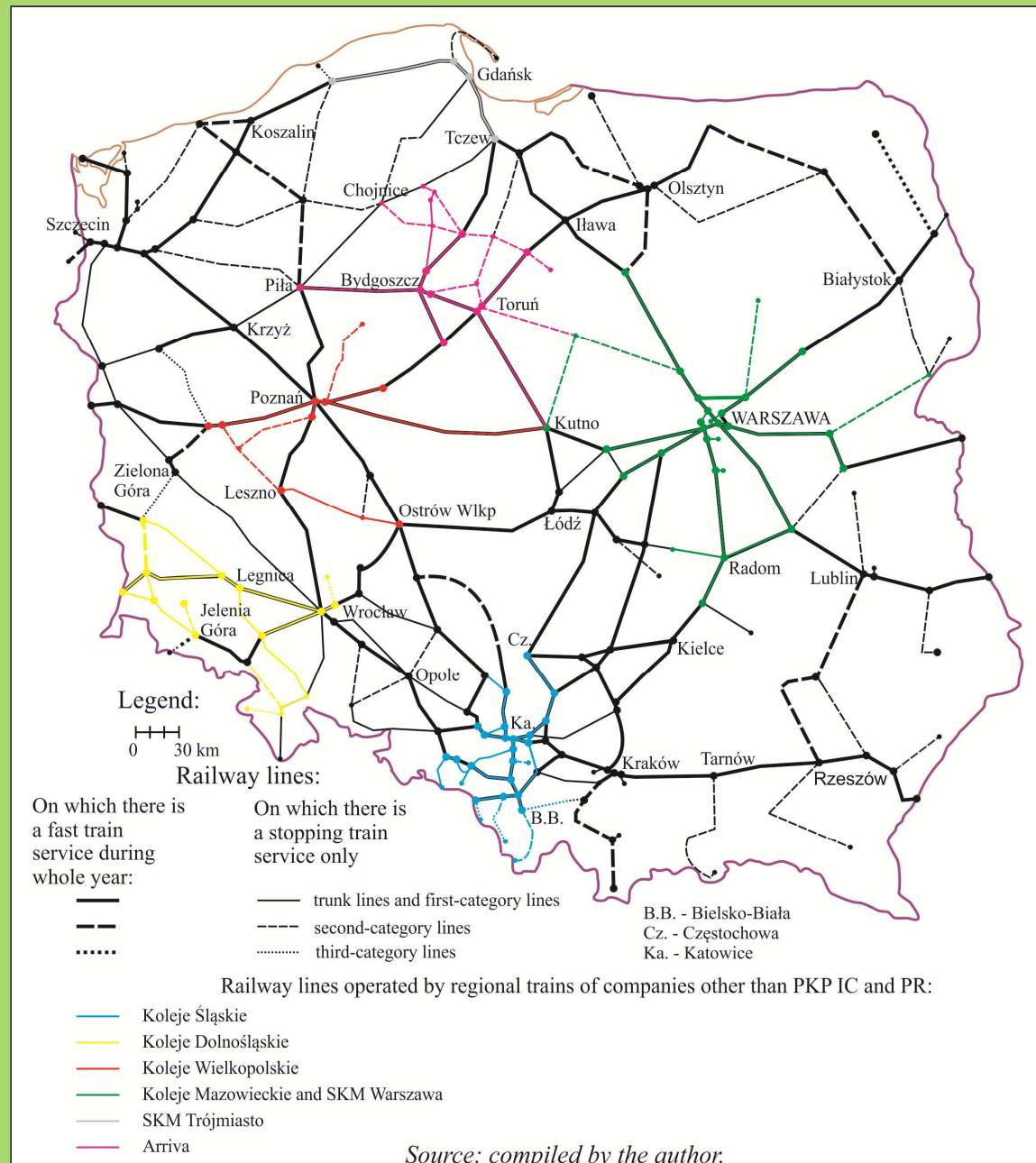


The regional railway liberalisation in Poland

- ❑ Organisational and financial problems with the PR company have lead some regional governments to decisions to create their own local rail companies:
 - Dolnośląskie 2007
 - Wielkopolskie 2009
 - Śląskie 2010
 - Łódzkie 2014
 - Małopolskie 2014
- ❑ In the Mazowieckie voivodship the company Koleje Mazowieckie was created in 2004 as a common property of PKP PR and the regional government. Since 2008 the voivodship has a 100% stake in the company
- ❑ In the Kujawsko-Pomorskie voivodship Arriva began to operate several regional lines in 2007



The regional railway liberalisation in Poland



Source: compiled by the author.



The regional railway liberalisation in Poland

Type of line	Total length [km]	Of which operated by companies different from the PKP IC and PR [km]
Trunk lines and first-category lines with fast trains	6272	2214
Trunk lines and first-category lines with stopping trains only	1885	693
Second-category lines with fast trains	1079	48
Second-category lines with stopping trains only	2962	1114
Third-category lines with fast trains	132	0
Third-category lines with fast trains with stopping trains only	306	123
TOTAL	12636	4192

Source: compiled by the author.



The regional railway liberalisation in the Czech Republic

- ❑ The act which enabled railway liberalisation in the Czech Republic was the Railway Act (Zákon o dráhách č. 266/1994) from 1994
- ❑ Consequently the liberalisation of regional railway lines started in the second half of the 1990. when some local lines in the Sudets and Ore Mountains (Czech Krušné hory) were taken over from the Czech State Railways ČD by private companies

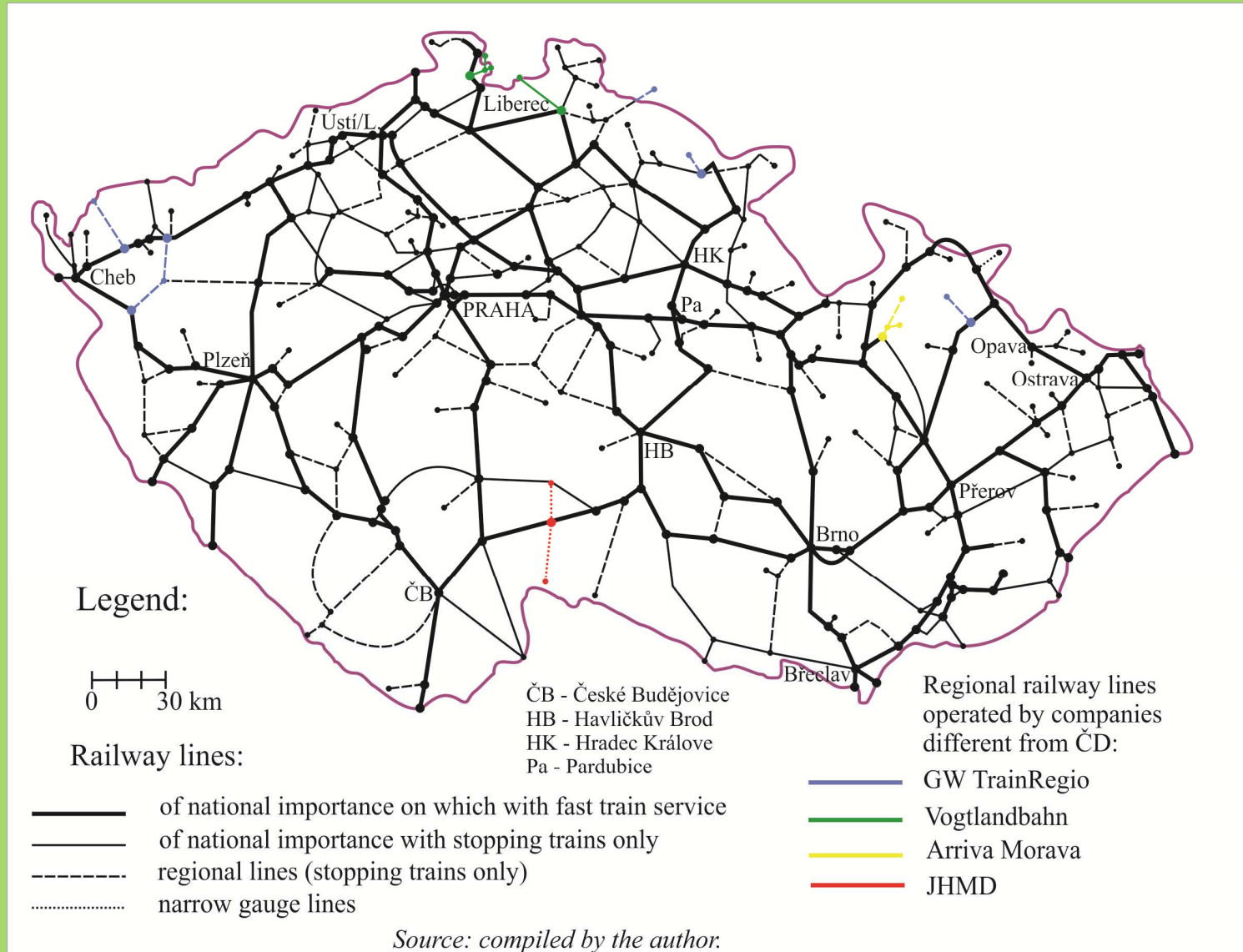
- ❑ The case of lines Šumperk – Sobotín/ Kouty nad Desnou and Milotice nad Opavou - Vrbno pod Pradědem:

after the damages of the flood in 1997 the ČD and the Ministry of Transport were not interested in their reconstruction. The pressure of the local communities and the interest of rail companies external from the state railways led to the reopening of the line

- ❑ 2 of 3 Czech narrow gauge lines are operated by the private company JHMD as the state railways saw the service as “uneconomic”



The regional railway liberalisation in the Czech Republic





The regional railway liberalisation in the Czech Republic

Type of line	Total length [km]	Of which regional lines and lines of national importance with stopping trains only operated by companies different from the ČD [km]
Lines of national importance with fast trains	3954	-
Lines of national importance with stopping trains only	1947	61
Regional lines (with stopping trains only)	2614	140
Narrow gauge lines	99	79
TOTAL	8614	280

Source: compiled by the author.

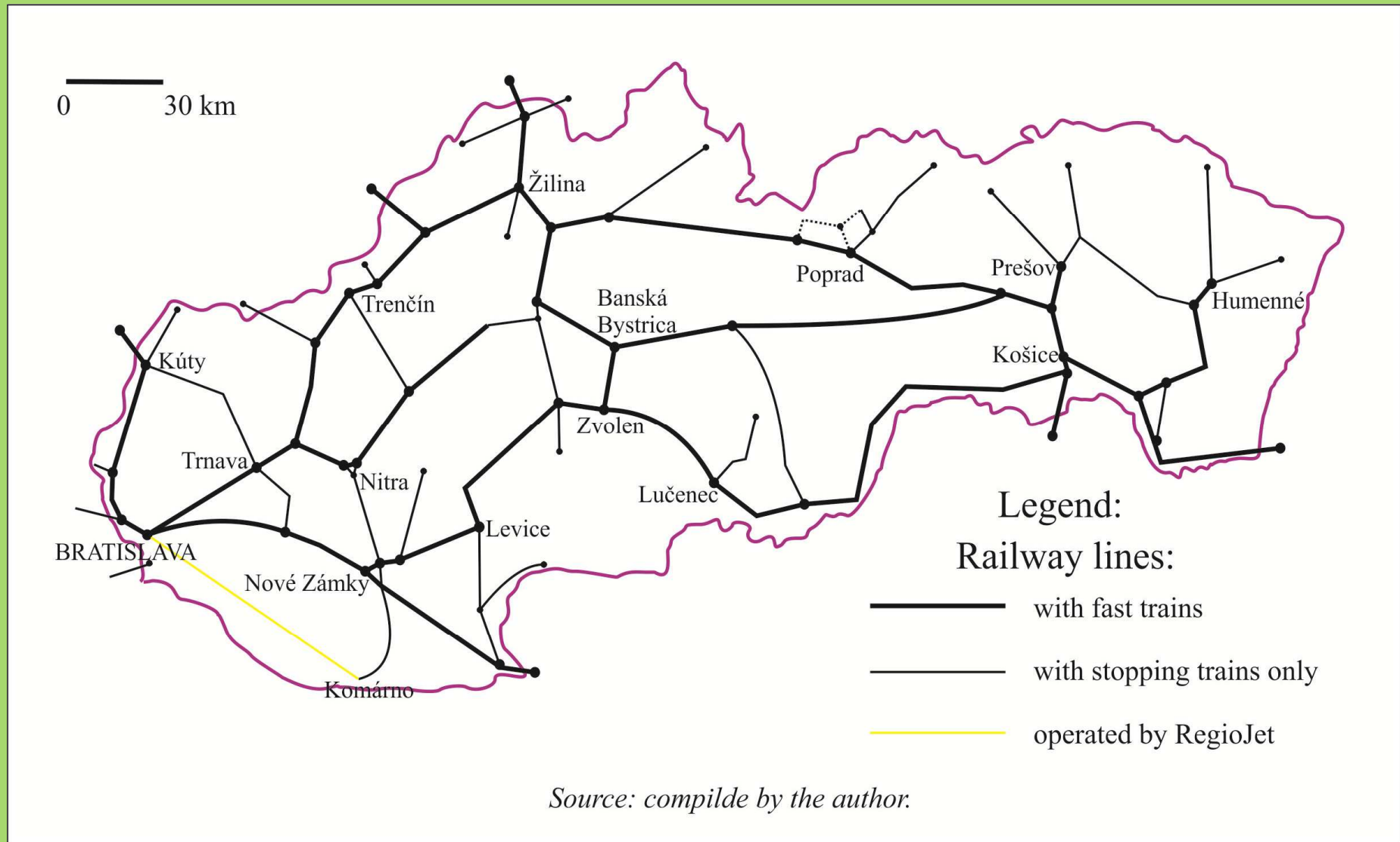


The regional railway liberalisation in Slovakia

- ❑ The first attempts to open the Slovak railway market were connected with closure of several regional lines which was decided by the Slovak State Railways ZSSK in 2003
- ❑ The failure of the Bratislavská regionálna koľajová spoločnosť company which operated on the lines Záhorská Ves and Zohor - Plavecký Mikuláš
- ❑ 2011 after the contract with the Ministry of Transport, Construction and Regional Development the service on the local line Bratislava – Komárno was taken over by the company RegioJet



The regional railway liberalisation in Slovakia





The situation of regional and private regional railway lines in Austria

- ❑ The concept of private and regional government-owned railways in Austria has a long tradition which was not interrupted after 1945
- ❑ Several companies were created between the 1880s and 1918 by the regional governments in the whole Austro-Hungarian Empire in order to build local normal- and narrow gauge local lines.

The majority of those situated on the contemporary Austrian territory are still in service.

- ❑ The normal- and narrow gauge lines operated by Steiermärkische Landesbahnen (StLB) in Styria and Stern&Hafferl in Upper Austria form efficient local transport systems which complement the state network
- ❑ Separate private and regional government-owned lines exist in the provinces of Salzburg, Tyrol, Vorarlberg, Lower Austria and Burgenland

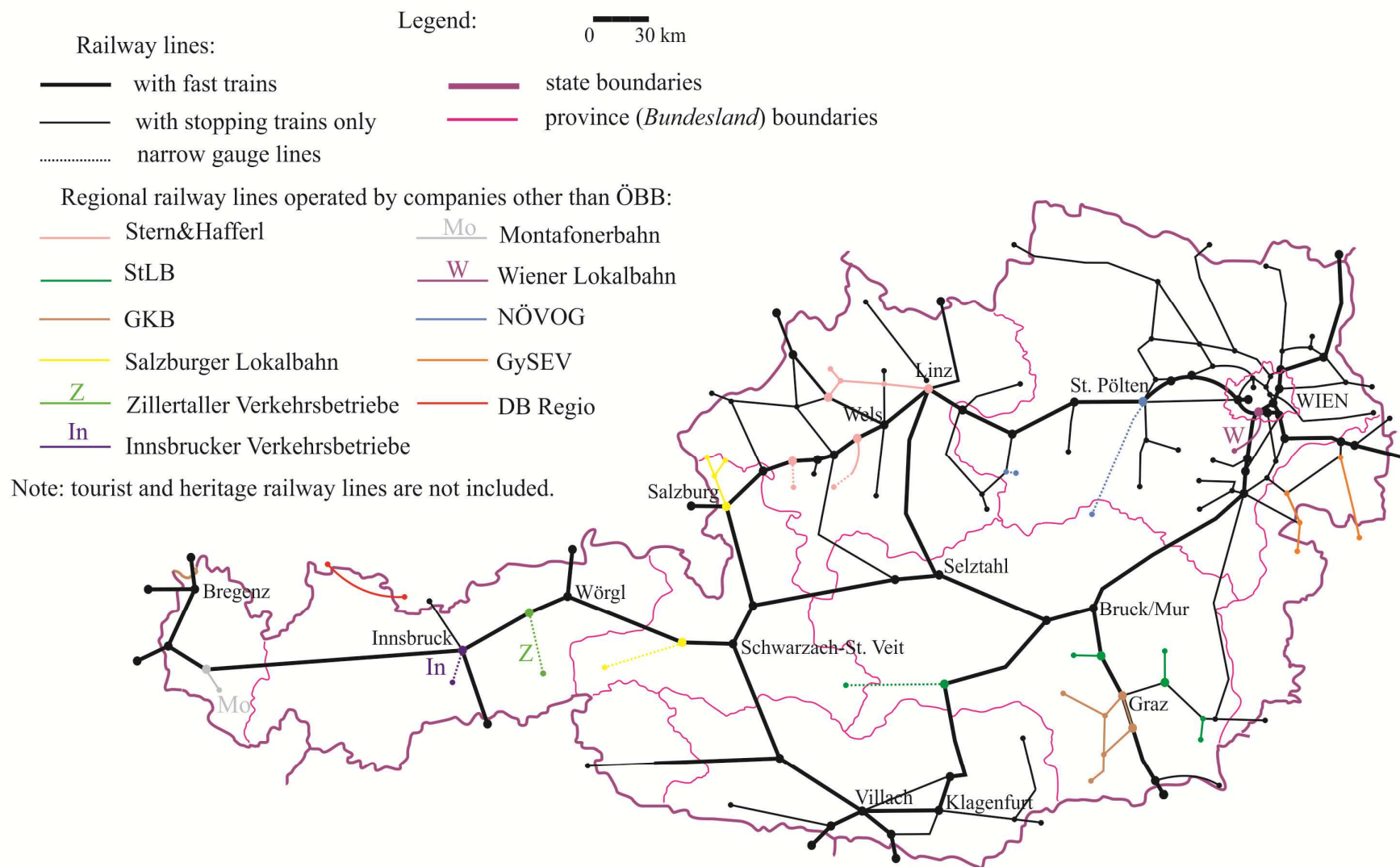


The situation of regional and private regional railway lines in Austria

- ❑ Of 710 km of regional railway lines which do not belong to the Austrian Federal Railways ÖBB only 183 km are sections which were taken over from the ÖBB after 2000:
 - St. Pölten Hbf. – Mariazell and Waidhofen/Ybbs – Gstadt (both 760 mm) from 2010 operated by the regional company NÖVOG
 - Zell am See – Krimml (760 mm) which since 2008 belongs to the regional government and is operated by the company Salzburger Lokalbahn
 - Ehrwald – Pfronten Steinach which is isolated from the Austrian network and was taken over by the German State Railways DB in 2003
- ❑ The reconstruction of the section Mittersill – Krimml of the Zell am See – Krimml line took place in 2010 after the line had been taken over by the local government which had awarded an operating contract to Salzburger Lokalbahn.



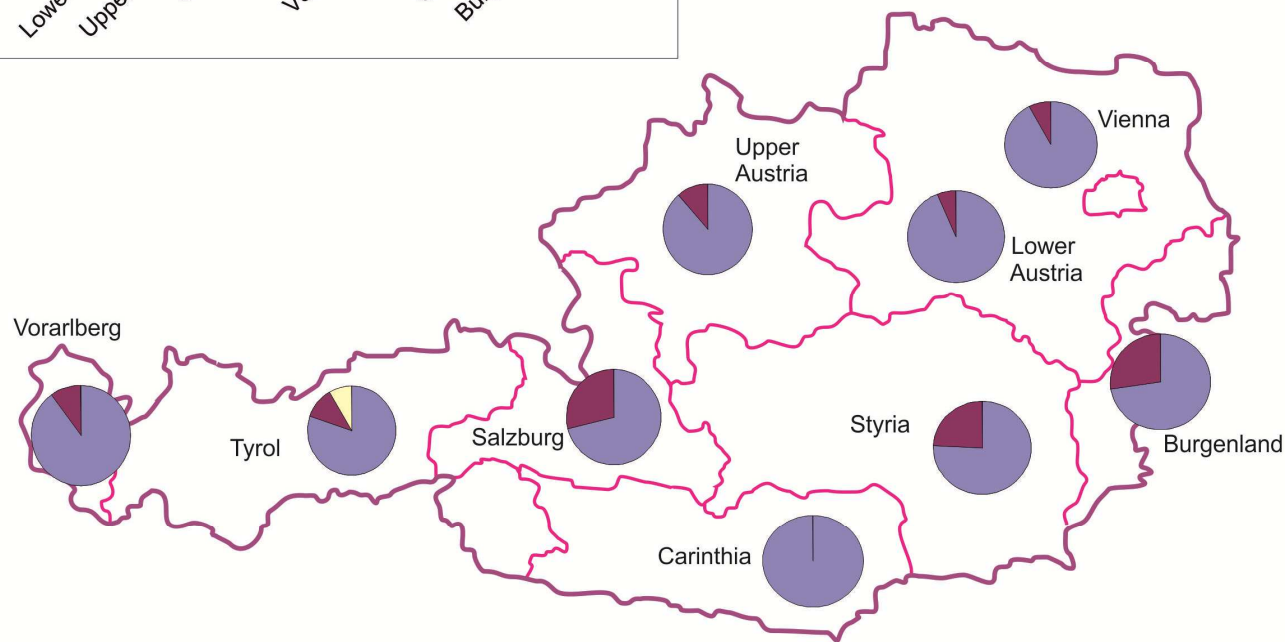
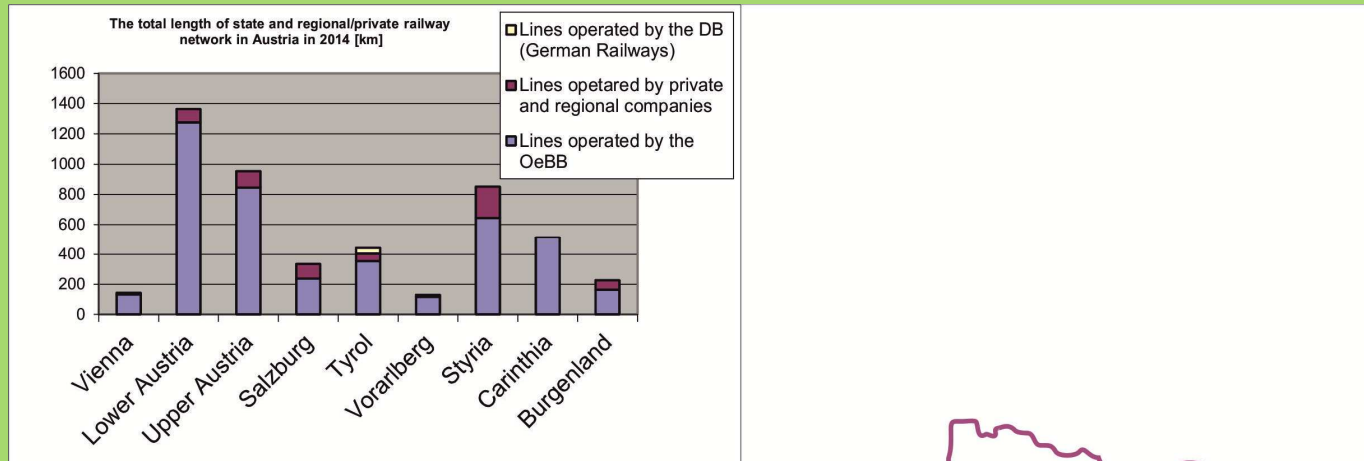
The situation of regional and private regional railway lines in Austria



Source: compiled by the author.



The situation of regional and private regional railway lines in Austria



The state and regional/private railway network in Austria in 2014.
Source: compiled by the author.



The effects of liberalisation on the regional rail traffic in Poland, Czech Republic, Slovakia and Austria

- ❑ In Poland the railway liberalisation was put into practice after at least 15 years of a **serious crisis** of the Polish State Railways
- ❑ The reform was carried out in an inappropriate and chaotic way. In particular the peculiar decision which made **the regional governments the owner of the regional railway services company** PR brought several problems (e.g. operating of regional trains which cross the borders of voivodships)
- ❑ The increasing economic difficulties of the PR company and disputes between the governments of several regions led many voivodships to create their own railway companies
- ❑ However, the result of this **peculiar competition between the PR company which is owned by 16 Polish voivodships and new regional-owned firms** like Koleje Śląskie has been rather chaos than any improvement, especially because of the lack of common tariffs



The effects of liberalisation on the regional rail traffic in Poland, Czech Republic, Slovakia and Austria

- ❑ Many new operators have decided to take over **only the most lucrative lines in the metropolitan areas** and not railways in peripheral areas. The plans of new companies in the Łódzkie and Małopolskie voivodships raise similar doubts
- ❑ In some voivodships - in particular Dolnośląskie - the new regional-owned companies have enabled to reopen some local lines which had been closed before (e.g. Wrocław – Trzebnica, Kłodzko – Wałbrzych or seasonal weekend connection Sędziszów – Trutnov)
- ❑ However, **the scale** of this railway reactivation **is not particularly large**, the number of trains usually not much greater and journey times often longer than in the state railway period
- ❑ The situation in the **Mazowieckie voivodship**, where the regional railway company Koleje Mazowieckie (KM) was created earlier in a different way – **not as competition to the PR but instead of it** – is significantly better. It reflects in the rising number of KM passengers: 59.106 million in 2012 and 62.448 million in 2013 which means that the share of KM in the whole passenger rail transport in Poland (including Intercity connections) is 23%.



The effects of liberalisation on the regional rail traffic in Poland, Czech Republic, Slovakia and Austria

The line The contemporary operator	Length [km]	Number of regional trains on working days		Journey times [min]	
		In the last year of the state service	In the private/regional service	In the last year of the state service	In the private/regional service
Jelenia Góra – Lwówek Koleje Dolnośląskie	33	5	4	58	74
Żywiec – Zwardoń Koleje Śląskie	37	11	12	67	60
Wyszków – Ostrołęka Koleje Mazowieckie	54	3	9	70	71
Leszno – Wolsztyn Koleje Wielkopolskie	47	7	6	57	59
Bydgoszcz – Chełmża Arriva	47	7	4	57	57

Source: compiled by the author.



The effects of liberalisation on the regional rail traffic in Poland, Czech Republic, Slovakia and Austria

- In the Czech Republic the scale of regional railway liberalisation is much smaller but its influence on the local railway network is not insignificant
- The takeover of the too mountain lines which were damaged in the flood in 1997 as well as too narrow gauge sections which were seen as “uneconomic” by the state railways was **the only chance to maintain these connections**
- Unlike in the case of Polish narrow gauge lines the Czech lines managed to become an important part of the regional transport system
- In Slovakia it is too early to be able to evaluate the effects of rail liberalisation on the regional transport



The effects of liberalisation on the regional rail traffic in Poland, Czech Republic, Slovakia and Austria

- ❑ In Austria the evaluation of the effects of private and regional-owned lines on the local transport system applies not only to the recent phenomenon but also to the system which exists since the end of the 19th century
- ❑ Although some of the private local lines were closed down after 1945 it seems that generally these lines **have been more resistant to closure** than similar lines which belonged to the Austrian Federal Railways

Whereas all state-owned narrow gauge lines were closed or taken over by other companies the vast majority of private and regional lines is still in service. It would confirm the thesis that **private and regional government-owned railway companies are more efficient and flexible** as the state railways and thus react better on the demand on the market



Conclusions

- ❑ The regional railway liberalisation in Poland, Czech Republic and Slovakia has been implemented in different circumstances and consequently it has different scale
- ❑ In Poland the railway liberalisation it was an important element of the railway reforms of the 2000s. Its main result has been the division of the regional passenger service into several competing companies but positive effects (reopening of some lines, however only in some regions) are balanced by isolation of the new regional government-owned systems from each other



Conclusions

- In the Czech Republic a few local lines are operated by private companies which is the result of the first decisions to open the market made by regional governments in order to:
 - reduce the level of subsidy for rail transport or
 - to maintain any service on the lines which were damaged in natural catastrophes or
 - seen as “eneconomic” by the state railways.

The role of private regional railways in the country is still minor as the Czech State Railways continue to maintain their dense local network



Conclusions

- ❑ In Slovakia the role of rail liberalisation is marginal
- ❑ In Austria the existence of several private and regional government-owned local railways which are an indispensable part of the regional transport networks has contributed to maintain an effective transport system
- ❑ The liberalisation itself **does not provide automatic easy solutions** for the local railway problem.
- ❑ It is an important instrument but it should be used **as part of the consequent transport policy** because the most important condition of the effective transport development seems to be **the active cooperation between the railway operators and the local governments**



Thank you!

