



Public transport in Sweden – co-ordination and competition

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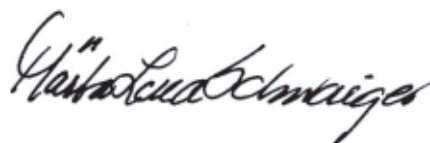
Preface

The Swedish Public Transport Association (Svenska Lokaltrafikföreningen, SLTF) has documented the development of Swedish public transport, from monopoly to free competition.

The public transport authority reform was decided by Parliament in 1978. What does it imply and which are its effects? What does today's role distribution look like, which decisions and laws are governing the activities? What area of responsibility do the public transport authorities have today? What does the co-ordination look like? In this document, we provide the answers to, among other things, these questions.

Bengt Finnveden, former division head at the Ministry of Transports and Communications, has written this document after request by SLTF.

Svenska Lokaltrafikföreningen
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1 Traffic organization – some main features

The responsibility for public transport development is divided among many authorities. The role of Government is mainly to secure that basic transport needs are satisfied and that good conditions for co-ordination and development of public transport are created. This is done mainly through legislation and investments in traffic infrastructure. In addition, the Government provides contributions towards public transport infrastructure such as bus terminals and substructures for tram and underground services.

The Government also initiates appointment of different investigative committees when more important traffic policy issues are expected to be decided upon. As part of this work, the Government has appointed a parliamentary chosen committee, the Public Transport Delegation (Kollektivtrafikdelegationen). The task of the delegation is to identify, analyze and describe problems and opportunities of public transport, formulate objectives and visions and to propose changes in organization, regulatory framework etc that are important for the development of public transport, all from a consumer and overall point of view. The delegation will constitute a forum for the cooperation between the Government and other players. The focus of the delegation's work will be on the area of local and regional public transport and the timeframe for its assessments is intended to be the period up to the year 2020.

The Government also provides grants for research and development within the transport field. In the Government Bill (1997/98:56) Transport policy for a sustainable development, the objectives for transport research were specified and a prioritization for a number of research areas was listed. Among these areas, applied transport research concerning public passenger transport and travel paid for by public funds were particularly mentioned. Priority is also given to research regarding transport informatics with the aim of facilitating the use of public transport. A reinforcement of the support for research on ecologically adjusted transport services has also taken place.

The Government also provides a certain financial support for passenger traffic. Among other things, this takes place when public passenger transport is procured for such railway lines where conditions for commercial operation do not exist. Rikstrafiken (The National Public Transport Agency), an agency that started its activities on July 1, 1999 is responsible for the procurement. The agency also manages the Government financial support for the ferry services to Gotland and the Government support to the public transport authorities, which they receive because they took over responsibility for the passenger services on certain county railways (please refer to section 4).

For the purposes referred to above, Rikstrafiken has a frame appropriation in the amount of 3 950 million SEK at its disposal for the years 2002-2006.

It should also be mentioned that Rikstrafiken has been asked to work for co-ordination between the various kinds of transport of the efforts to facilitate public transport travelling for disabled passengers. Previously, this task was the responsibility of Vägverket (the Swedish National Road Administration).

The Government authorities Vägverket and Banverket (the Swedish Rail Administration) carry in their capacity of being responsible for the road and rail traffic sectors, respectively, a great responsibility to press on the development of public transport. Vägverket has produced a proposal for a national program for public transport on roads. The proposal lists a number of actions that can be taken in order to improve the competitiveness of public transport. A carrying out

requires cooperation between all parties concerned, from Government agencies and authorities to local authorities, Public transport authorities and operators. Banverket has recently produced a corresponding report containing a proposed strategy for competitive rail services.

However, the real responsibility for local and regional public transport lies with the Public transport authorities i.e. the local authorities and the County Council together in each county. Local and regional public transport can be seen as part of basic public services and is of great importance for fulfillment of the transport policy objectives as set out in the Government Bill »Transport policy for a sustainable development«. Public transport is said to contribute to improved welfare, regional development and equality by providing people with the opportunity to reach workplaces, schools and various kinds of service. It also contributes to better environment and health i.a. through improved road safety. Thus, an increased share of travelling by public transport is also an important component in creating a transport system that is sustainable in the long term.

There are however no Government contributions towards the operational costs of local or regional public transport. Instead, financing takes place by local authorities and the county council in the respective county covering deficits as a rule by half from each of the parties (please refer to Section 6).

Public transport in Sweden is characterized by being co-ordinated county-wise under a Public transport authority, which is politically and financially responsible for all local and regional public transport within the county. This creates good conditions for traffic planning and for the application of uniform rates for all sections of services. Changing between different means of transport is facilitated as well as information about available output by way of departure and arrival times, changing points etc.

The co-ordination also provides opportunities for a more effective use of resources and for a decrease in the need for deficit coverage from society. The possibility to procure traffic under competition has proven to be decisive factor for this positive development. Procurement has not only led to reduced traffic costs but also to fulfilment of other important public goals such as public transport with improved environmental qualities, improved road safety and better accessibility for the disabled. It is doubtful whether it had been possible to reach such goals as quickly if an authority having responsibility for public transport had not been in existence in the different counties.

In summary, the organization of public transport in Sweden has been developed by the following parliamentary resolutions:

- The Public transport authority reform in 1978.
- Deregulation of local and regional bus services on July 1, 1989 (resolution by Parliament in 1985).
- The 1988 Transport policy decision. Transport authorities became responsible for county rail services. Government contribution towards operational costs during ten years. Government grants for investments in public transport infrastructure etc.
- In 1989, the Public transport authorities became responsible for all local and regional scheduled transport, i.e. public transport by bus, train and boat (Bill 1987/88:78).
- New laws on Transportation of the Disabled Services and national mobility services make it possible for the Public transport authorities to co-ordinate these services with those of public

transport. A Government grant in the amount of SEK 1,5 billion will increase accessibility to public transport for the disabled (Parliamentary resolution in 1997).

The carrying out of these resolutions is mainly a local and regional level responsibility. In many cases these resolutions have originated from manifestations and pressure from local authority and regional agencies when they have been faced with traffic policy problems that must be resolved. Below follows a short description of the decentralized decision-making process that is used in Sweden in different areas of society, including transport policies.

2 Local and regional public administration in Sweden

The population of Sweden amounts to 9 million unevenly distributed over the country. More than 80 % of the population lives in the southern part of the country. Sweden consists of 21 counties with a County Administrative Board (Länsstyrelsen) in each county. In addition, each county has a municipal agency, the County Council (Landstinget), the members of which are elected by the inhabitants of the county. The main tasks of the county councils are health and medical services but they are also since 1978 partly responsible for public transport in the county. Experimental work is being carried out in some counties where the County Council has taken over certain Government duties from the County Administrative Board concerning regional development policy.

Each county consists of a number of local authorities, which also have their self-government. The main tasks of the local authorities are social services, education, culture, road and street maintenance, public cleaning, refuse collection etc. In addition, the local authorities are partly responsible for public transport together with the county council. There are 289 local authorities in Sweden. One thing that differentiates Sweden from many other countries is that both the county councils and the local authorities have their own power of taxation. The right to tax gives them a high degree of independence. A far-reaching measure taken by the Government is however that the Government re-distributes part of the municipal income between the local authorities and between the county councils with the aim of providing low-income local authorities and county councils with better possibilities to maintain municipal services equivalent with those provided in more prosperous parts of the country.

The average direct tax to local authorities and the county councils is in all around 30 % of the personal income. In addition to this there is a considerable indirect taxation in the form of i.a. added value tax, which usually is 25 % (for public transport this tax has been reduced to 6 %). Around 82 % of the population of the country pay only local taxes and thus no national income tax, which fact provides a picture of the size of the municipal activities in Sweden.

The different counties vary considerably in size. The County of Stockholm has the largest population with 1,8 million residents. The County of Gotland has the smallest population, 57 000 residents. In this county there is only one local authority, which also is responsible for county council duties of other counties.

Concerning geographical size, the County of Norrbotten covers an area that is one fourth of the size of the whole country. The County of Västerbotten equals the land area of Belgium and the Netherlands added together. The County of Jämtland covers an area the size of Denmark, which says something about the scope of the public transport decisions and their financing that have to be taken in such geographically large counties. On the other hand there are counties in southern Sweden that have a relatively high population density even by European standards, which renders a high public transport standard possible. In for example Stockholm, a public transport travelling share of around 50 % has been achieved. During rush hours the share is no less than 70 %.

3 The formation of Public transport authorities

The Public transport authority reform was decided by Parliament in 1978 after a Bill proposed by the Government (1977/78:92). The resolution comprised a new Act concerning authority for certain public passenger transport. This Act has by a Parliament resolution in 1997 been replaced by an Act concerning responsibility for certain public passenger transport. From a content point of view, the resolution did not introduce any major change in relation to the Law of 1978 (please refer to section 6). The Resolution by Parliament in 1978 called for each county to form an authority having responsibility for local and regional road public transport i.e. bus services within each respective county.

The starting point for the reform was mainly that the traffic policy goals concerning a satisfactory service level in different parts of the country could not be met without a well built up public transport. In order to improve public transport a more effective co-ordination of available resources had to be achieved. A co-ordinated public responsibility for public transport was viewed as the best solution. Before the reform, the need for improved co-ordination of public transport was great. This is illustrated by the fact that city services were planned separately from rural services which were planned within each local authority based on a complicated Government grant system, while regional services between local authorities received Government support through yet another Government grant system. The number of bus companies was great – in some counties there were more than 100 companies – and almost all of them had their own fares and ticket systems. The reform was expected to result in lower fares, co-ordinated ticket systems, improved regularity, shorter travelling times, improved comfort and improved information.

The basis for the Bill was the investigation initiated in 1974 concerning »regionally valid traffic discounts«. The investigative committee consisted of two representatives from the Swedish Association of Local Authorities, two from the Federation of Swedish County Councils and three from the Government. An impartial chairman led the investigation. The committee presented its report in 1976. However, the proposals were not fully in compliance with the directives for the committee previously decided by the Government. The directives had as a starting point that a so-called county pass for public transport should be introduced in all councils. Such passes were already in use in the County of Stockholm and made travel by all means of transport possible within the entire county at a uniform rate per month regardless of length of journey. At that point in time the price of the county pass was SEK 50 per month and the pass had become a success with travellers. The investigative committee, which generally was called the »50-pass investigation«, found however relatively early that county passes could be introduced only if there was an authority who was financially responsible for all local and regional public transport within the county. The Government agreed with this recommendation. In its Bill to the Parliament, the Government emphasised that ticket price was not the only important factor for public transport attractiveness. Decisions concerning network of services, timetables, vehicle comfort etc. were also very important. Decisions concerning such standard factors should not be made through national directives but instead be based on considerations on a regional and local level.

It should be emphasised that the committee was wholly unanimous in its recommendations. In addition, the Parliament passed the Government proposal amid great unity.

According to the parliamentary resolution, the main task of the Public transport authority can

be summarised as the right to decide service output and fares. Further, the authority was to decide how public transport should be operated – traffic operated by contractors or traffic operated under its own management. In addition, the authority had to decide on the distribution of deficits of the traffic operations. The importance of placing the responsibility for planning and carrying out within one and the same authority was strongly emphasised. Previous experiences from traffic planning operated by the County Administrative Board with unclear links to carrying out and to financing were not encouraging.

Concerning the choice of a suitable authority the following three alternatives were considered:

- The County Council of the county
- The local authorities in the county jointly through an association of the local authorities or through a wholly owned company limited by shares
- The County Council and the local authorities of the county together with an association of the local authorities and the County Council or a wholly owned company limited by shares.

The advantages and disadvantages of the respective organizational forms were analysed by the Government, which chose the alternative of co-operation between the local authorities and the County Council of the county. The reason was that this solution made it possible to safeguard both local and regional public transport interests. It was also stated that many bus routes were used both by local and regional travellers.

4 Scope of public transport responsibility

The public transport responsibility covered, as mentioned earlier, scheduled passenger road transport services. It was understood that also tram and underground services operated in some local authorities of the country and which were integrated with the remaining public transport operated in the population centres of the local authority would be incorporated into the countywide authority.

Initially, exceptions were made for so-called supplementary services in sparsely populated areas. These services should be the responsibility of the local authorities only. Supplementary services means scheduled public transport, usually by minibus or car, operated in accordance with a timetable but actually performed only after special request by the traveller.

The responsibility for the supplementary services was later transferred to the Public transport authority in 1986. Likewise, the responsibility for local and regional train services has been transferred to the Public transport authority. This took place by means of a parliamentary resolution in 1983, which also provided guidelines concerning financial compensation to the transport authorities for the taking over (Bill 1982/83:100, bilaga 8). The resolution was later confirmed through the so-called agreement in principle between the Government, The Swedish Association of Local Authorities, The Swedish Federation of County Councils and the Swedish Public Transport Association. This agreement in principle is accounted for as an important part of the Traffic Policy Bill of 1988, which was confirmed by Parliament. This led to the taking over by the Public transport authorities of the responsibility for passenger services along 23 so-called county railroads as from 1990. Total track length is 2 220 kilometres. The word »along« is important. It meant that the Public transport authorities had the right to choose between operating the services by train or by bus or by a combination of both. As financial compensation the transport authorities were allowed to take over the subsidy that the Government previously had granted to the Swedish State Railways for the operation of train services. The subsidy was to be paid out during ten years with yearly index adjustments regardless of which mode of transport the transport authorities chose: train or bus. In addition, the transport authorities were allowed to free of charge take over the around 100 railcars that earlier had been operated on these lines. It can afterwards be noted that for 17 out of the 23 county railroads the Public transport authority have chosen to operate trains. Along six of the lines the services are now operated by bus.

Based on a Bill from the Government, Parliament has during the autumn of 2000, resolved to extend the period of Government deficit contribution to be valid until the end of 2001. Thereafter, no Government support is paid out for operation of the transport services.

The need for investments in new railway vehicles for regional railway traffic is an issue that has been raised more and more over the years. The 100 motor coaches, which were taken over by the public transport authorities from the Swedish State Railways (SJ) in 1990, have become worn down and out of date i.a. from an environmental point of view.

The Swedish Public Transport Association has informed the Government about this problem, which was solved by the parliamentary resolution in November 2001. The resolution was based on the Government Bill 2001/02:20, titled »Infrastructure for a long-term sustainable transport system«. The parliamentary resolution means that a new Government grant, totalling SEK 4,5 billion, is introduced. The grant may be used for investments in new regional track vehicles but also for environmental improvements in existing vehicles.

In summary, the Public transport authorities' concern with railway services can be described as a right for the authorities to operate the county railways. Total track length for these railways amounts to 27 % of the track network in Sweden that is used for passenger services. The Public transport authorities also have the right to operate regional passenger services on the trunk railways. Services are procured under competition between different operators for both these types of services, which has contributed to substantially lower operational costs compared to when the Swedish State Railways had a monopoly on these lines. As an example, it can be mentioned that kilometre costs for traffic for which the authorities were responsible, were almost halved during the years 1994 to 1998 (from SEK 51 to SEK 27, calculated per output kilometre).

Deregulation has also contributed to enabling the transport authorities to plan traffic in a better way than before and to coordinate these transports with bus services. It should however be noted that one of the larger operators initially had experienced difficulties in living up to the conditions for the traffic services. As an example, shortage of skilled staff resulted in cancelled or severely delayed departures. Otherwise, outside the Stockholm area, it has been possible to procure rail services under calm conditions.

The parliamentary resolution in 1988 concerning the Public transport authorities assuming responsibility for passenger transport along the county railways was formally supplemented by a change in the Law on Transport Authority (Bill 1987/88:78). Previously, the law had stated that the transport authority was responsible for local and regional public transport by road. The last two words were now removed in the changed section, which meant that the transport responsibility was to include not only scheduled bus services but also traffic by rail vehicles and boats. The change concerning boat services was as such not an important event since a majority of the transport authorities already voluntarily had undertaken to manage boat services in the archipelago. The Stockholm archipelago has the largest boat services network in which the County Council of Stockholm through Waxholmsbolaget and its contractors operates 1,5 million trips per year. Further, there are 2 million trips made by the so-called harbour services, which connect the central parts of the City of Stockholm. A substantial boat services network is also operated in the archipelago of Gothenburg, in Bohuslän, to the islands of Visingsö and Ven, in the archipelago of Blekinge and outside the town Örnköldsvik.

Concerning the additional duties of the Public transport authorities to also be responsible for The Transportation of the Disabled Services (also on a national level), please refer to section 12. In section 13 the cooperation between the Public transport authorities and the county councils concerning transportation of patients is described.

Regarding the duties of the Public transport authorities concerning bus freight, please refer to Section 14.

5 The carrying out of the Parliament resolution

The Act concerning Public transport authority came into force on July 1, 1978. The county councils and the local authorities could choose the date on which they would assume authority, such date however to be not later than July 1, 1981. Three counties in Western Sweden had however the right to wait until July 1, 1983. The reason for this respite was that these three counties could be expected to experience difficulties in organizing their reciprocal traffic cooperation because of the extensive travelling taking place across county borders of the three counties. It should be added that realization of the reform took place more quickly than what was expected in the Parliamentary resolution. Already during the traffic year 1978/79, authorities were established in four counties, i.e. the County of Stockholm, the County of Uppsala, the County of Södermanland and the County of Örebro. The year after, the County of Västmanland followed. In the traffic year 1980/81, authorities had been established in one third of the counties.

The fact that there was a great need within the counties to coordinate transport resources and thus create an improved traffic supply was probably the reason for many counties to establish the authority prematurely. There were also favourable references from counties in which co-ordination had resulted in a more rational transport organization. In this connection, the County of Uppsala should be especially mentioned since this county became normative with regard to its traffic planning while however not operating services under its own management with its own buses, which was the case in the Counties of Stockholm, Södermanland, Örebro and Västmanland. A further incentive to establish a Public transport authority early was that a larger operational grant was offered in the new system. In addition, the application procedure was simpler than what was the case with earlier types of grants.

The possibilities to rapidly improve traffic supply should be seen against the background of the locked-up conditions that prevailed before the 1980's. The number of bus companies was large and each of them had their routes protected by monopoly. The possibilities for travellers to change between different routes without buying a new ticket were as a rule very limited. The need for an overall traffic coordination was great.

6 Organizational forms

In the Bill, it was emphasized that establishment of the county authority reform should be carried out with considerable flexibility and freedom of choice with regard to in what form the authority was organised and the way in which operational deficits were to be distributed. Thus, the County councils and the local authorities themselves had to decide whether the business should be run in the form of an association of authorities or a company, the extent of influence of the different parties involved in the activities and how deficits should be covered. The rules of the Act should be enforced only in cases where agreement was impossible to reach. However, no such decisions have been necessary, except concerning the County of Jämtland where it initially proved impossible to reach agreement about the forms for the authority, which led to the rules of the Act automatically coming into force (See below).

The basic rule states that cooperation between local authorities shall take place in the form of associations of local authorities. In all counties, except the County of Kronoberg, agreement was instead reached to cooperate through a wholly owned company limited by shares. Special rules are valid for the County of Stockholm where the County council is solely responsible for the services. In the County of Gotland, the local authority carries the sole responsibility.

It should be mentioned that during an interim period it also in the County of Jämtland existed an association of authorities responsible for the activities. The reason for this was, as mentioned above, that agreement could not be reached between the local authorities and the County council of the county about the wording of the articles of association for the company that was to be formed for public transport services in the county. It was enough that just one local authority was in opposition to the others and to the County Council in order for the compulsory rules about the association of authorities to come into force. After renewed negotiations, agreement was however reached between the parties and a company limited by shares could be formed as the responsible body. This took place in 1991. The fact that the County of Kronoberg has an association of authorities as the responsible body for public transport services is the result of a voluntary agreement between the local authorities and the County council of that county.

Another section of the Act prescribes that the County council shall exercise half of the influence and the local authorities jointly the other half. The degree of influence of each local authority is decided based on the size of its population. Also in this area it has proved possible to reach voluntary agreement on decision rights.

There are substantial differences between different counties concerning the way in which operational deficits are distributed. Some common features have been drawn from the principal rule, which however never has had to be enforced by the Government through a special resolution. The rule states that half of the deficit shall be covered by the County council and the other half jointly by the local authorities. The liability of each separate local authority is established in relation to the amount of traffic services, which have been operated in that local authority during the financial year.

The voluntary principle in the way of organisation in the counties is also reflected in the fact that responsibility for city services in some municipalities/local authorities has been wholly or partly transferred to the respective local authority. This has been made possible through separate agreements with the Public transport authority. The advantages in the form of local rights of

decision has been deemed to outweigh the disadvantage that these services wholly or partly are financed solely by local authority funds and thus not also by County council subsidies. Such »primary municipal public transport authorities« are found in nine municipalities in the country. These are Uppsala, Norrköping, Hälsingborg, Lund, Gothenburg, Karlstad, Gävle, Umeå and Luleå.

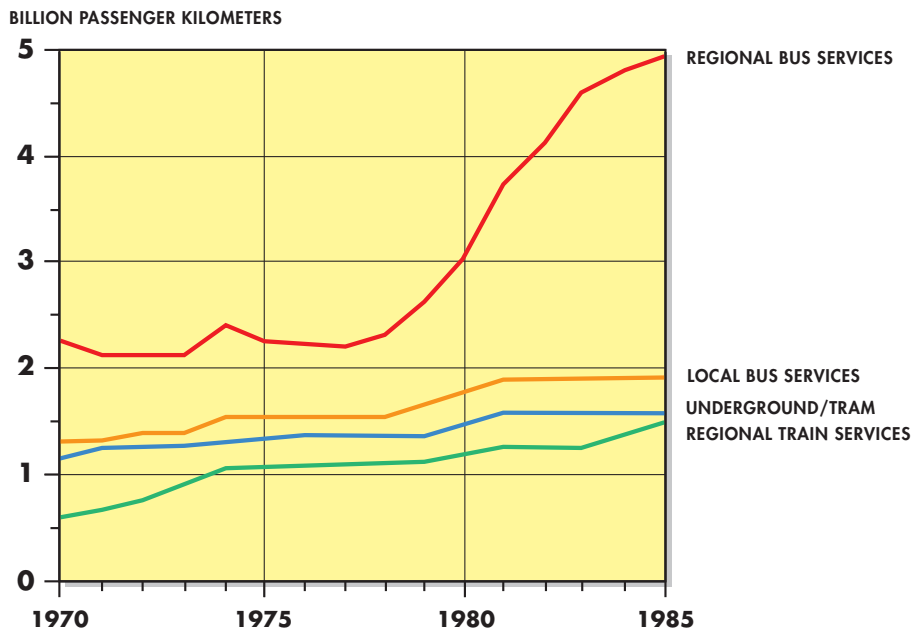
As mentioned earlier, a new act entitled Act concerning responsibility for certain public passenger transport has replaced the Authority Act of 1978. This took place in 1997. The provisions concerning organisational forms remain largely unchanged, however with the change that the County councils and the local authorities now are called »County Public Transport Responsible«. Such »County Public Transport Responsible« is to exist in each county and is to be responsible for scheduled local and regional passenger transport. A clarification has also been included by stating that the responsibilities of the »County Public Transport Responsible« are handled by a Public transport authority i.e. as before either by an association of authorities or by a company. A new feature is that the County council and the local authorities have the possibility to agree that either the County council itself or the local authorities jointly shall be »County Public Transport Responsible«. This alteration possibility has come into use in the County of Skåne. In this county, the County Council and all 33 local authorities have agreed that the County Council alone shall be responsible for public transport within the county. In other counties it is still valid that the »County Public Transport Responsible« bodies cooperate within the county through a joint authority (with the exception of previously valid rules for the County of Stockholm and the County of Gotland where the County council and the local authority respectively acts as »County Public Transport Responsible«.

7 Effects of the Public transport authority reform

The founding of Public transport authorities in all counties produced many positive effects such as improved planning of traffic output and increased traveling. The services were rendered more effective through improved utilization of vehicles and higher degree of vehicle occupancy. In addition, costs and revenues were strongly affected.

These effects primarily took place during the first years of the founding of the transport authorities, i.e. up to the middle of the 1980's. Since then, changes have been more moderate, apart from the substantial cost reductions, which resulted from the possibilities to purchase scheduled services under competition because of the withdrawal of the scheduled services licenses held by the traffic operators. This step, which was taken on July 1, 1989, resulted in increased competition when transport services were purchased by the Public transport authorities and is described in more detail in Section 8. The present Section focuses on the changes that became the immediate result of the Public transport authority reform as such i.e. the years 1980-1985.

Evaluations made show that a substantial improvement of public transport took place after the Public transport authority reform. In the first place, this applies to regional services outside the larger population centers where public transport standards previously were not high. Overall, service output measured in vehicle kilometers for Public transport authority services increased by 20 % and traveling measured in passenger kilometers by around 30 % during the period 1980-1984. The development of regional bus services, in which service output increased by 30 % and traveling by 55 %, was particularly rapid, which meant a considerably more effective vehicle use. If metropolitan areas are excluded, the increase was even larger. For local services, the increase during this period was less than 10 % for the country as a whole. This was because services in population centers were relatively well developed already in the beginning of the 1980's.



Development of local and regional public transport 1970-1985. (Regional train services include only those services for which the Public transport authorities are responsible).

Source: TPR-rapport 1986:17

The expansion of public transport was primarily directed towards leveling out the standard of services within counties in order to improve standards in areas that had been neglected. Many new routes were opened with the main emphasis on work journeys. Additional resources were also introduced on routes where demand had increased because of lower fares. After this, a more market-oriented output increase took place, which to a greater extent was aimed at satisfying also other travel needs. Development was facilitated by the fact that there was a responsible authority for local and regional public transport with which discussions could take place regarding school children trips, work journeys etc.

In 1984, regional services accounted for 60 % of total production in the services operated by Public transport authorities. Because of the dominance from a traffic point of view that city traffic operators earlier had in the counties, this share must be considered high. The number of trips by local services in 1984 amounted to 63 million and in regional services to 37 million. Regional traffic accounted for 65 % of the number of performed passenger kilometers since journey length is greater in regional services.

Discounted public transport monthly passes were introduced almost immediately except in three counties in Norrland where instead discounted route monthly passes with rights of change between different routes were introduced.

The evaluation shows that the total costs for public transport increased initially concurrently with the extension of services and that revenues were limited by the discounts. Cost increases for traffic production measured in SEK/vehicle kilometer did not however exceed the changes in consumer price index and was clearly lower than index for the consumer area transport and communication. Approximately half of the deficit was related to services in population centers, which by tradition – long before the Public transport authority reform – had received subsidies from local authorities. The deficit in county services is also related to economic transfers within the local authority sector. By co-ordination with regional services, a substantial part of the local authorities' costs for school transport was transformed into deficits in the activities of the Public transport authorities. Regardless of this, the degree of self-financing increased from 38 to 42 % during the period 1980-1984. Since then, the degree of self-financing has increased further and amounts to 55 % for 2000 according to a statement by the Swedish National Road Administration in its report about public transport development 1995-2000. This improvement must primarily be credited to the procurement of services under competitive market conditions (please refer to the following section).

8 Procurement of public transport under competition

Already in the middle of the 1980's traveling development within public transport started to become stagnant. Towards the end of the decade a yearly decrease in traveling of around 1,5 % was noted. The transport authorities argued that they certainly had become politically and financially responsible for the traffic but that they had far from been given the tools necessary to enable them to operate it effectively.

The objection from the transport authorities was that they, when negotiating traffic agreements with the traffic operators, could largely negotiate with only one bus owner per route. This owner in principle had a monopoly on the route and there existed thus no competition. It was usually neither possible to switch a »free bus« from one route to another. In its turn, this led to that an unnecessarily large vehicle fleet had been built up in the counties. The scheduled services licenses were often issued many years earlier when buildings, social structure, and needs for transport were different from what was the case in the beginning of the 1980's. It could thus be difficult to establish rational, through going bus routes within areas where several license holders were operating as well as to establish bus routes adapted to the structures of population centers. Another problem was that garages and workshops not always were situated in places that were advantageous from a traffic point of view. This could easily necessitate unnecessary empty runs and waiting periods as well as long journeys for the drivers before and after working shifts, which of course contributed to increasing cost of operations.

A deficiency in the then valid system for payment to the contractors was that there often was no incentive to rationalize. Usually, the contractors had agreements that provided cost coverage for the operations against handing over traffic revenue to the Public transport authority. This led to less effectively managed companies surviving in relative security, while better-managed companies were unable to derive enough advantage from being managed effectively.

Negotiations concerning contract payments were often lengthy and could sometimes extend over several years, especially in those cases where the parties had referred the issue to the Public Transport Committee, a committee that acted as a kind of arbitrational panel having the authority to decide on the amount of compensation.

The franchising laws in force constituted a highly complex legal system. The management of these types of commercial traffic matters involved substantial administrative work for primarily the County Administrative Boards but also for Public transport authorities and traffic operators.

After investigations by the Ministry of Transports and Communications and circulation for consideration by parties concerned, the Government in the spring of 1985 decided on Government Bill 1984/85:168 concerning the right to operate local and regional road public transport. The starting point was to draw up operating rules that gave transport authorities the means to independently plan the services and to freely use available resources. At the same time, the transport authorities should be allowed to purchase transport services under conditions adjusted to the market.

The proposed reform of the laws on commercial traffic matters implied that the transport authorities were given the operational permit for those services, for which they were politically and financially responsible. At the same time earlier issued permits for such services were cancelled. This provided the transport authorities with great possibilities to co-ordinate services and to render them more effective. The authorities, especially the County Administrative Boards were relieved of administrative work. The fact that the Public transport authorities were issued the operating

permits did not imply that they should operate the services under their own management. On the contrary, greater advantages than before were achieved through the reform by using contractors, since purchasing of transport services could be performed with a substantially increased element of competition. The contractor system could thus be further developed to the benefit of both the contractors and the authorities.

For those traffic operators, who lost their scheduled services operating licenses and did not wish to compete on the scheduled services market for services on behalf of the authorities, a right of redemption of vehicles and other assets used in the business was introduced. The rules of redemption corresponded to those already in force regarding transfer of operating licenses. The main principle was that the assets (vehicles, work-shops etc.) should be appraised at the amounts that could be expected at a sale under normal circumstances. The redemption amount could however be adjusted if the valuation gave a result that was obviously unreasonable. Cases concerning redemption and the amounts of compensation were also in the future to be tried by the Bus and Taxi Valuation Board.

In the Bill, the thought that the traffic operator should be entitled to compensation for the loss of the operating permit as such was rejected. According to the Government, no such right could exist since the operations were unprofitable. Thus, services relied on financial contributions from society and could hardly have continued without such support. As a rule, the operating permits were consequently of limited value to the bus companies – the bus owners' security was instead based on the decision made by society to support the services.

For the carrying out of the reform, a four-year transitional period expiring at mid-year 1989 was decided upon. The extended transitional period was i.a. chosen in order to provide the authorities and traffic operators good possibilities to jointly plan future services.

Before the deregulation on July 1, 1989, many people believed that a great number of bus owners should grab the opportunity and demand redemption of their assets, which in turn could lead to financial problems for the Public transport authorities. It is however interesting to note that in the end extremely few bus companies decided to discontinue being scheduled service traffic operators in the counties. Instead, the vast majority chose to remain, ready to start competing on an open market. On July 1, 1988 – the last day to apply for redemption – the Bus and Taxi Valuation Board had received 27 redemption applications, out of which seven from traffic companies owned by local authorities. Most applications were withdrawn, among others all from the traffic operators owned by local authorities.

Only two major cases became the subject of redemption. In both cases Government owned companies were involved. One of them concerned GDG in the County of Dalarna and in this case, the transport authority was ordered to redeem. In the County of Östergötland the Public transport authority was ordered to redeem a large number of buses belonging to the bus services of the Swedish State Railways. Otherwise, there were a few small bus companies operating one to two buses on scheduled routes that were redeemed.

Finally it should be mentioned that the resolution concerning procurement under competition adopted by the Swedish Parliament in 1985 is in line with the proposal on »controlled competition« that the European Union recently – not until 15 years later – has drawn up in order to improve the attractiveness of public transport. It should however be noted that the Commission's proposal contains a number of strange exceptions, which probably will enable traffic companies, especially those publicly owned, to preserve their near-monopoly position on the transport market.

9 Procurement results up to now

By 1999 around 630 contracts for scheduled services in the counties had been entered into between Public transport authorities and contractors. Out of these, 50 % have a validity period of 4-5 years and 12 % are valid for even longer periods. Before deregulation however, one-year agreements were common, which of course made planning more difficult both for transport authorities and traffic operators.

The ways in which operations are procured have differed between counties. Some Public transport authorities decided to procure almost all traffic in the county already during the first traffic year after the coming into force of the deregulation. Owing to this great cost reductions were achieved already in the beginning. Other counties chose to procure a limited part of the traffic at a time during a longer period, for example 10 % per year during a 10-year period, which was a way of trying to retain as many bidders as possible and thus secure competition. Another tendency was to exclude services in population centres during the first years.

The Public transport authorities have about 7800 buses operating in accordance with timetables and almost all of this traffic is now procured. In November 1998, 98 % of the bus services operated under timetable schedule were procured after bidding under competition. Since then also for example the transport authority in the County of Stockholm have procured all of its bus services, which probably also is the case in the other counties in the country. All of the regional train traffic is procured.

The first procurements under competition resulted in cost reductions of between 10-15 %. In several counties savings were even greater, 15-20 %. Competition has been tough, especially for services in population centres. Even in cases where a previous contractor has lowered its bid by up to 20 %, another bidder has won. Also in a second procurement round substantial cost reductions have been achieved but there is of course a limit for how far the reductions can go. There are cases where both parties have agreed to terminate the contract prematurely since the operator has experienced difficulties in maintaining the service quality stated in the contract.

There are no collected calculations for the whole country of the financial effects of the procurement under competition during the 1990's. It is difficult to calculate the net result since other changes that have influenced the financial outcome for the Public transport authorities also have occurred during the 10-year period. During the period, Public transport authorities may for example have had additional expenses for acquiring buses meeting high standards concerning environment, road safety and accessibility for the disabled. It is obvious however that the yearly grant from local authorities and county councils has decreased during the 10-year period. To what extent the procurement under competition as such has contributed to this can of course be debated. It is clear however that it has been a deciding factor. An example can be taken from the County of Stockholm, which operates around half of all public transport in Sweden calculated as traffic costs. AB Storstockholms Lokaltrafik (SL) states in its Annual Report for 1999 that SL's operational costs have been reduced during the 1990's as a result of traffic procurements. » The need for tax financing has been reduced by more than SEK 1 billion per year. At the same time traffic output has increased by more than 20 %:«

Traffic procurements also have involved disadvantages in the form of reduced profitability for bus companies, which has resulted in difficulties for some bus operators to live up to the conditions of

the contracts. Several bankruptcies in the business have occurred because of unprofitable scheduled services contracts. Further, it seems that the market for used buses has deteriorated during the last few years. Increased demands for environmental adjustments and adaptations to the needs of the disabled have led to that buses, which are only 5-6 years old no longer can be used in scheduled services operations.

Another negative effect of the procurement system used up to now could be that that the traffic operator does not have a financial interest of his own to contribute to good public transport service. An increase in the number of passengers is seen only as a disadvantage. This is related to the fact that most traffic contracts are drawn up as so-called gross contracts which means that all of the traffic revenues go to the transport authority and thus not to the contractor. The Swedish Public Transport Association (SLTF) and the Swedish Bus and Coach Federation (BR) have therefore initiated a development project with the aim of trying to draw up agreements that will create an interest on the part of the contractor to increase the number of travellers. This can be done through so-called net contracts where a certain share of the revenues will be paid out to the contractor. The more the travelling increases, the higher the contribution to the contractor will become. Net contracts are presently in use in five cities where population centre services are operated (Helsingborg, Sundsvall, Östersund, Boden and Varberg) and in the County of Blekinge. In 2000, net agreements comprised approximately 3 % of the traffic services in the country but the percentage has since increased. In addition, trials involving financial incentives are being carried out, connected to how satisfied customers are with the service offered by the contractor. If a contractor succeeds in increasing the share of satisfied customers he will receive a bonus.

Other procurement effects are the dramatic changes in size of the bus companies and changes in ownership structures. This process is probably not yet finished. The tendencies are however clear: large bus companies are becoming even larger, private bus companies are getting a bigger market share and the number of publicly owned bus companies has decreased.

The three largest bus companies, Swebus, Linjebuss and Busslink, now operate around half of the number of buses used in commercial services. Swebus (Concordia) and Linjebuss (CGEA) are privately owned. 90 % of Busslink is owned by Storstockholms Lokaltrafik (SL) and 10 % by Länstrafiken Örebro/Sörmland. In the beginning of the 1990's 80 % of the number of buses was publicly owned, today the proportions are reversed. There is no longer any Public transport authority, which operates all of its services under its own management. On the other hand a few transport authorities own subsidiaries that are active under the same conditions as other operators. The result of procurement under competition was also that many companies that were owned by local authorities lost traffic when it was procured, or were sold. One reason may be that especially the mid-size bus companies had difficulties to cope and companies owned by local authorities belonged to this size category. Still, it is the case that among the 1 630 companies that hold operating licenses, 92 % operate fewer than 10 buses. In several cases they have been successful in procurements by tendering jointly. Buss i Väst AB and Busspoolen in the County of Västerbotten are examples of such companies. The latter company is owned by 30 bus companies and operates a total of 200 buses in contract services in the county.

Concerning the possibilities for traffic companies owned by local authorities to operate in another municipality than their own, please refer to Section 10.

In general, transport authorities have been keen to be able to use the procurement system to

reach other social goals than just a good output of transport at an acceptable cost level. This applies to i.a. goals concerning a good environment and good accessibility for the disabled.

Diesel buses operated in the services of the transport authorities belong to a fleet of vehicles that probably is the cleanest in the world, among other things because of the fact that diesel fuel belonging to environmental Class 1 is used. The vehicle fleet is also relatively new with a large share of »Euro 2« vehicles. Out of the 7 800 buses contracted by the transport authorities by the turn of the year 1999/2000, not less than 695 were fuelled by ethanol, natural gas or bio fuel. The corresponding figure for 1995 was 312 vehicles. More than 2 000 buses (one fifth) operated in public transport authority services are equipped with catalytic particle filters (1999/2000).

At the procurements, requirements have been made regarding good accessibility for the disabled. These requirements are substantially more far-reaching than those stated in the Board of Transport's (now The Swedish National Road Administration) compulsory regulations concerning adjustment of buses to the needs of disabled persons. Requirements for low entrances in buses can be mentioned as an example. The technical solution now in use is buses with low floors or low entrances. The share of such buses in population centre services was 60 % in 1998 but the share is increasing successively. Around 700 such buses were acquired in 1998-1999. Also buses used in so-called service scheduled operations are through the procurements becoming successively more accessible.

The requirements for buses having improved environmental qualities and improved accessibility for the disabled has lead to substantial cost consequences for those procurements made around the turn of the year 2000-2001. However, increased fuel prices and higher salary costs have had the largest influence. This has resulted in an increase in costs for contract services of 15-25 %. The higher cost level can be seen as a reaction against the fact that the old contracts had an out-dated design that did not adequately take increased fuel and salary costs into consideration. The changes in age composition of the vehicle fleet have of course also been of importance for the cost increase. This increase is however partly an isolated case and should therefore not influence future procurements to the same extent.

10 The local authority transport companies and their possibility to be commissioned for services in another local authority

In connection with the parliamentary resolution in 1985 to revoke the scheduled services licenses for bus operations within counties as from July 1, 1989, no formal exception for local authority transport companies was made. All operational licenses were to be revoked, thus also those earlier held by the companies owned by local authorities.

Another important fact is that the Public Procurement Act entails that local authorities and County councils are not allowed to directly engage their own companies without procurement. Services must be procured under conditions adjusted to the market.

However, the local authority transport companies hold a unique position and then in a negative sense when they are to operate on a market that is subject to competition. This has to do with the fact that they, because of the localization principles contained in the County and Municipal Councils Act, are prevented from offering their services outside of their own geographical area.

This disadvantage regarding the ability to compete, compared to how private operators can act, has had the effect that when the local authority transport companies have lost a procurement competition they have no legal possibility to compensate themselves by trying to look for other markets outside the boundaries of their own local authority. Therefore, there is an obvious risk that public transport companies, which are owned by local authorities, sooner or later will be forced to discontinue their activities. This is of course disadvantageous to the Public transport authorities, who already are experiencing that the number of potential bidders is going down and that competition is being reduced, which results in cost increases.

The Swedish Public Transport Association has pursued this issue and has made the Government aware of the problems. After a Bill 1995/1997:167, the Government decided that transport companies owned by local authorities on a trial basis would be allowed to operate contracted services within another local authority than their own. The Act regulating these trials came into force in 1996 and is valid until the end of the year 2002. Another local authority, a County council or a Public transport authority must commission the contracted activity.

The Government has recently decided that the trial period shall be extended for another three years i.e. until the end of the year 2005 (Bill 2000/01:84, Kommunal uppdragsverksamhet). According to the Government there are two main reasons for the extension. One is that too few companies up to now have taken advantage of the opportunity to enter into contracts for operating public transport services outside their own local authority area, which makes it difficult to draw definite conclusions regarding the need for a permanent legislation in this area. The second reason is that those local authority transport companies, which now operate contracted services within public transport would suffer severely if the trial period was not extended. The Government refers especially to the Gothenburg area. New contracts entered into on the basis of the Act must however be valid only until the end of the trial period.

The Act specifies further the presently valid conditions concerning separate accounting of revenues, costs and the profits from the contracted services.

11 Co-ordination between county services and long-distance passenger train services («Tågplus»)

In the previous section, a description has been given of the way in which public transport has been co-ordinated within counties and of the advantages this has provided for travellers. The co-ordination has also rendered the services more effective and led to that other society goals such as increased accessibility and improved environment have been reached.

A disadvantage for travellers that came up initially was that the co-ordination between county services and the long-distance trains became decidedly poorer. This applied above all to the previous co-ordination between the train operations of Swedish Rail and the bus services operated by Swedish Rail. As an example it became impossible to purchase co-ordinated tickets train-bus. The Swedish Rail staff no longer provided information to travellers about connection possibilities between train and bus. Further there were no guarantees for connections. Another example of deteriorated service was that it no longer was possible to have luggage registered in a combined train and bus journey.

In order to overcome these problems a co-operation was initiated in the middle of the 1980's between The Swedish Public Transport Association and the Passenger Transport Division of Swedish Rail. The work resulted in 1989 in an agreement about a co-ordinated public transport tariff, which would enable a traveller to purchase a ticket for a complete trip chain, consisting of one or more county public transport sections by bus or train combined with one or more rail sections operated by Swedish Rail. A joint model contract was worked out, which in 1991 was used as a basis for an agreement between Swedish Rail and all Public transport authorities. The common national tariff was named »Tågplus«, a form of co-operation that has been developing rapidly over the years and that probably is unique among European countries, possibly with the exception of Switzerland.

»Tågplus« is since 1993 marketed and developed by Samtrafiken I Sverige AB (The Swedish Public Transport Coordinator). The initial owners of this company were Swedish Rail and the Public transport authorities in the country, but the group of owners have since been extended to include also Destination Gotland AB, which company handles ferry services between Gotland and the mainland, and four additional train operators i.e. Tågkompaniet, BK Tåg, Arlanda Express and Bergslagståget. This means that a large number of transport companies have become integrated into a co-operation for ticket and customer service, information for travellers and for traffic planning in order to achieve a connected public transport system in Sweden.

»Tågplus« is thus a co-operation between

- All passenger train companies
- All Public transport authorities
- A large number of shipping companies operating domestic boat services

The intention is to make it easier for travellers that need to change between different means of transport (train, bus or boat) or between different transport companies. The goal is to achieve:

- Well-planned connections with short walking distances and suitable transfer periods
- Information in one place concerning timetables and prices for the whole chain of the journey

- Purchase of the whole journey chain in one place and having everything integrated into one ticket or set of tickets.
- Uniform fare and general travel conditions for the entire trip

Through »Tågplus« around 2 000 cities, towns and villages in Sweden are connected (all local authority centres, all population centres, important junctions, mainland tourist resorts but also in archipelago areas).

Travellers who make a connection trip to the long-distance trains receive a discount of 15 % on the price of that part of the county transport section, which exceeds SEK 20. The »Tågplus« transport companies are cooperating to ensure a safe journey all the way to the destination and have assumed a joint responsibility for solving possible problems that arise in connection with traffic disturbances. Manuals have been prepared to guide transport staff for example in connection with delays in order to enable the traveller to quickly make use of another travel connection than the one interrupted.

Of great importance for the co-operation within »Tågplus« is also the existence of joint ticket regulations concerning age limits for travellers, ticket discounts, hand luggage etc.

The number of »Tågplus« travellers has increased each year since its creation. As an example the number of trips increased by 15 % in the traffic year 1999/2000. In total, 1,43 million trips were made with »Tågplus« during the year of activity. Calculated in passenger kilometres, the travelling by »Tågplus« accounted for more than 10 % of all long-distance train travelling in the country. Six years ago the share was around five %.

The basis for all traffic data in all sales and information systems is a national database (RDB) for trains, buses and boats. This database is updated daily by The Swedish Public Transport Coordinator.

An important reason for the increase in travelling by »Tågplus« is the fact that only around half of the country's population live in places that have long-distance train connections. The other half has access only to county transport operated by the Public transport authority or live in thinly populated areas with no public transport services. In other words there is a large market for »Tågplus« travelling. Considerable marketing resources have been set in as well as an introduction of advanced sales and information systems. Both travellers and sales staff have access to the »Tågplus« guide on the Internet, which provides possibilities for timetable information search. As an example, it can be mentioned that during the year 2000 an average of 8 000 timetable searches were made each day compared to 500 each day the previous year.

The financing of »Tågplus« and its different co-operation efforts is based, among other things, on the fact that »Tågplus« has created an added travelling thus benefiting both the long-distance transport operators and the Public transport authorities. Since travelling by »Tågplus« more seldom is made during rush hours, the need for additional transport resources is however marginal. The system is essentially built upon the use of already existing transport resources.

12 The responsibility for Transportation of the Disabled Services and the National Mobility Services

In Section 4 it was described how the area of responsibility for the Public transport authorities successively has been expanded. The responsibility now covers all local and regional scheduled passenger services. Since the year 1998 the transport authorities also have the possibility – but not the obligation – to manage Transportation of the Disabled Services and National Mobility Services. A condition for this is that agreement has been reached with the local authority and the County council concerned on a transfer of the task.

There are around one million people in Sweden that are disabled to such an extent that it is very difficult for them to make use of regular public transport services. Investigations that have been carried out show however that many of these individuals have good possibilities to travel by public transport if only the means of transport and the different kinds of stations and stops become more adapted to their needs.

Already in 1979 an Act on adaptation of public transport to the needs of the disabled came into force in Sweden. Compulsory regulations concerning such adaptation were issued in the beginning of the year 1982 and came into force as from 1985. For different reasons the work concerning issuance of regulations ceased towards the end of the 1980's but the National Road Administration has now initiated a tightening up of requirements. This work is i.a. based on the European Union's Directive on type certificates for buses. An important part of this Directive consists of rules concerning good bus accessibility for the disabled.

In the parliamentary resolution in the autumn 2000 on account of the Government's Bill (1999/2000:79) regarding a national action plan concerning the policy for the disabled it is emphasized that accessibility to the transport system should continuously be improved and be taken into consideration in all planning and procurement of infrastructure, vehicles and transportation services. The work should aim at public transport being accessible to the disabled by the year 2010.

Current regulations concerning accessibility to means of transport will according to the parliamentary resolution be reviewed and made more stringent. Concerning vehicles used in local and regional public transport the starting point for the review is that the bulk of these vehicles should be accessible as from the year 2003.

Disabled persons also use the Transportation of the Disabled services and the National Mobility Services, which up to now have been seen as part of the social welfare services. The parliamentary resolution in the year 1997 aims at integrating these forms of transport into public transport, which is to become more accessible to the disabled. Another goal is to limit the costs of the Transportation of the Disabled Services and the National Mobility Services by changes in travelling, mainly by more trips in scheduled services and by increased co-ordination of the different kinds of publicly paid journeys.

The number of people having permits to use the Transportation of the Disabled Services amount to around 405 000 i.e. 4,6 % of the country's population. On the average, each of these individuals makes approximately 35 trips per year. Most trips are made by taxi or by different kinds of special vehicles. In those places in the country where public transport is especially well adjusted to the needs of the disabled, as many as half of those permitted to use the Transportation of the Disabled Services

choose to travel by public transport for instance by service line buses. This kind of scheduled services is a form of travelling that the disabled appreciate.

These services have also proven to be cost-effective compared to the Transportation of the Disabled Services operated by taxi. In many counties, publicly paid trips by taxi or special vehicle, mainly the Transportation of the Disabled Services and transportation of patients, cost more for the local authorities and the County councils than the scheduled services carried out by bus or train.

The costs for the Transportation of the Disabled Services have continuously increased but has during the very latest years been reduced by rendering the services more effective. The costs amount to more than SEK 1,8 billion per year. The net cost, i.e. after deduction of the payments made by the travellers themselves, is approximately SEK 1,4 billion.

No other country in Europe has such an extensive Transportation of the Disabled Services as Sweden. Another almost unique form of transport is the National Mobility Service. The aim of the National Mobility Service is to provide people having severe and permanent functional disabilities with the possibility to make longer trips all over the country at normal prices. Trips can be made by air, train and other public services and by taxi or special vehicle. The degree of difficulty of the physical disability is to determine the choice of transport form. The payment made by the traveller shall correspond to the ticket price for second-class train travel.

The number of people holding permits for National Mobility Services amount to around 23 000 i.e. far fewer than the number of individuals holding permits for the Transportation of the Disabled Services. The yearly cost for the local authorities amounts to around SEK 100 million.

Through new laws on the Transportation of the Disabled Services and the National Mobility Services, decided by Parliament in the year 1997, a transfer of the task can, as mentioned earlier, take place from the local authorities to the Public transport authorities. By this, an incentive to transfer expensive taxi rides to public transport is created. It becomes financially attractive for Public transport authorities to make ordinary public transport more accessible to the disabled through different adjustment measures. The costs for these measures will indeed increase but this is more than compensated by lower costs for the Transportation of the Disabled Services.

In order to expedite public transport accessibility for the disabled, Parliament has, with reference to a Bill presented by Government, decided on a Government stimulation package in the amount of SEK 1,5 billion for the period 1998-2002.

The measures can among other things involve:

- Public transport vehicles (buses, minibuses, taxi vehicles, railcars, trams, archipelago boats etc.)
- Terminals, stations
- Stops
- Adjoining infrastructure that improves accessibility
- Information installations and other information that will facilitate travelling by the disabled

To qualify for grants the measures must be more far-reaching than what follows from regulations issued by The Swedish National Road Administration concerning adjustment of public transport to the needs of the disabled or the accessibility requirements that can be put based on the Planning

and building legislation. Thus, grants are only given to cover extra costs over and above what is compulsory to accomplish according to regulations in force.

Government grant is provided with 50 % of costs qualified for grant for measures in local and regional public transport for which the Public transport authority is responsible. Under special circumstances, a 75 % grant can be provided.

An evaluation of the effects of the new legislation and of the government grants has been carried out in the year 2001 and form a basis for new considerations concerning the need for increased co-ordination and improved accessibility for the disabled. It could be mentioned that already by the end of the year 2000, The Swedish Agency for Public Management (report 2000:51) and The Swedish National Road Administration (publ 2000:13) have delivered basic material to be used in the evaluation by the Government.

Out of the country's local authorities, all local authorities in the County of Blekinge and the County of Örebro have decided to transfer the responsibility for The Transportation of the Disabled Services to the Public transport authority in the county. A corresponding decision to transfer has been taken by a number of local authorities in the County of Värmland. Since long the Public transport authority in the County of Stockholm decides about the Transportation of the Disabled Services in this county. In other counties there is an overall majority that are considering transferring the Transportation of the Disabled Services to the Public transport authority.

13 Transportation of patients

Since January 1, 1992, the County councils are financially responsible for transportation of patients. The responsibility implies establishing the basis for compensation for patient transportation according to the principles set out in the Act (1991:419) on travel cost compensation for patient transport. The County councils also manage refunds to patients of paid travel costs. These payments are reduced by an amount, which is payable by the travelling patient. The County council decides the size of this amount.

The number of patient trips amounted to 8,7 million in the year 1999. Slightly more than half were made by taxi vehicles and 28 % by the patient's own car. The share of patient trips made by public transport was 4,5 %. Many of these journeys were made over longer distances, especially by air. »Samreseutredningen« (The Joint Trip Investigation Committee) proposed in its report (SOU 1995:70) »Public transport – for everybody?« that not only The Transportation of the Disabled Services and The National Mobility Services should be transferred to the public transport authorities but also transportation of patients. The motive for this was that the co-ordination of the different transport services needed improvement as well as the ordering activities and the procurement of transport services.

In the Ministry report (Ds 1996:69) »Improved accessibility in public transport« exception was however made for patient transport services. The reason why patient transport should not be included in a joint authority was that patient transportation in many cases are connected to medical care services as such and thus may need to be planned in relation to the points in time that may be valid for such care.

It could be mentioned that the County councils according to presently valid regulations are not formally obliged to physically arrange patient transportation. Regarding The Transportation of the Disabled Services and public transport however, the local authorities and the Public transport authorities respectively are under a legal obligation to ensure that travel possibilities really exist. Also this difference was a motive for the Government to make exception for transportation of patients in its Bill (1996/97:115) regarding the possibility for public transport authorities to assume new areas of responsibilities by law.

In the Bill the importance of co-operation with other authorities is however emphasized. Thus, the County councils have an interest of their own that patient transport activities are carried out effectively, for instance by co-ordinating journeys. This can be done by several persons sharing a vehicle or by planning trips in such a way that empty running time of taxis between assignments is minimized. It was also mentioned that co-ordination of patient transportation in vehicles used in scheduled public transport had proven to be profitable. Cost reductions could also be achieved by cooperation with other Public transport authorities when transport services were procured. As an example the Public transport authorities now assist every second county council in procurement of taxi services. In one county the public transport authorities have assumed the entire responsibility for patient transportation, in other counties such as in the County of Kronoberg, the County of Örebro, the County of Gävleborg, and in the County of Norrbotten the Public transport authorities are responsible for booking centres where co-ordination with The Transportation of the Disabled Services takes place. In one fourth of the country's local authorities it is allowed to use The Transportation of the Disabled Services also for transportation of patients.

To an increasing extent the Public transport authorities are participating in the operation as such of the patient transportation services. To the extent that the County council has established special patient transportation routes, the Public transportation authorities in several cases have assumed responsibility for the operation of such routes and then also opened up the services for other travellers. Service output can thus increase while at the same time overall costs can be limited since travelling by scheduled services replaces travelling by taxi the whole or part of the distance. Since buses operated in scheduled services become more and more accessible to the disabled, the possibilities to transfer costly patient transports by taxi to public transport will increase.

14 Bus freight

Transportation of goods by bus has taken place in Sweden long before the introduction of Public transport authorities. When bus services started to develop in the countryside in the 1920's, the possibilities for more extensive transportation of goods were increased. Trailers were brought along on the longer routes and roof luggage with ladder at the rear of the bus and bicycle holders at the front became more common. The Post Office Administration operated its own stagecoach services far out in the rural areas of the north of Sweden not only for mail distribution but also for other goods and with possibilities for passengers to participate in the journeys.

Bus services were then greatly developed during the 1930's and boomed after the Second World War. Mail was delivered and goods distributed to more and more places. For a long time transportation of goods and passenger services were seen as compliments to each other and still is to a large extent. Goods provided the basis for travelling to and from also more remotely situated places. On the other hand bus services primarily intended for passenger transport provided possibilities for added use of the buses also for transportation of goods.

Gradually, adjustment to market conditions has led to a differentiation of the transports. It has thus become more and more important to supply a rapid bus transport that is attractive to passengers, especially with regard to long-distance journeys. For instance, to load and unload milk at a number of stops and terminals is counter-productive to such efforts. The Post Office Administration has since the beginning of the 1990's phased out its stagecoach services and is not to any large extent contracting other buses in scheduled services for its distribution. The goods now being transported by the scheduled bus services operated by the Public transport authorities is as a rule high value goods whose owners place demands on fast and safe transportation, of among other things, pharmacy articles, spare parts, bread, newspapers etc. Typical articles of this kind are reels of film for cinemas where it really is about delivery »just-in-time«. The goods is usually not bulky and can be carried in the load compartment under the floor of the bus. To what extent the increasing use of low-floor buses also on routes in rural areas may lead to more serious restrictions regarding transportation of goods is yet unknown.

The more low-value and bulky goods is instead transported by special lorries contracted through the goods transportation agencies or by lorries owned by grocery chains. But there are still nearly 100 very large buses with ample room for goods being operated by the Public transport authorities in scheduled services primarily in northern Sweden. These buses are used for passenger services but half or even more of the capacity is used for single consignments and is in some cases equipped with refrigeration.

The Public transport authorities market the bus goods traffic through the cooperative society »Bussgods Sverige«, which also organizes bus goods transportation between counties. There is a special co-operation group, »Bussgods Norr«, for the counties in northern Sweden, where there is an especially great need for transportation of goods by bus. A corresponding co-operation group has been formed in southern Sweden through »Bussgods Syd«.

The purpose of »Bussgods Sverige« is to be able to offer businesses and private persons fast and safe single consignment transportation that is worth its price. This should be achieved by added utilization of buses operated in scheduled services and thereby satisfy the need for such transports within the whole county and between counties. In addition, the intention is that the transportation

of goods should generate a profit, which will be beneficial to public transport. Buses with cargo bays operated by the Public transport authorities are used for the goods transportation but also a large number of express coaches in interregional services. The express coaches are used based on contracts with transportation companies such as Swebus Express.

To illustrate the activities within the cooperative »Bussgods Norr« it can be mentioned that in 1999, more than 1,2 million freights were performed, which generated an income in the amount of SEK 137 million.

The market share of the total single consignments market is obviously not especially large but the freights satisfy the need for commodity supply, which is important from a regional development policy point of view. Within the area of activity there is a substantial number of freight terminals, in all 68, out of which not less than 41 terminals are situated in Västerbotten and Norrbotten. In addition, there are 310 freight agents within »Bussgods Norr». Both »Bussgods Norr» and »Bussgods Syd» are endeavouring to further develop the transportation of goods and to take advantage of the possibilities within scheduled services to work out assignments that are commercially viable. For this purpose there are now far-reaching plans to transform the cooperative society »Bussgods Syd» into a company limited by shares.

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