



SPUTNIC Newsletter

Issue 2, April 2008

Strategies for Public Transport in Cities

What's new in the SPUTNIC project?

Continuing to address the challenges in the public transport sector, SPUTNIC (Strategies for Public Transport in Cities) operates in four thematic clusters, supported by expert working groups:

- market organisation;
- customer relations;
- corporate management; and
- equipment and operational issues.

The SPUTNIC project, now halfway towards completion, is implemented in close cooperation with public transport experts and practitioners. SPUTNIC helps public transport stakeholders to anticipate problems and proposes a set of specific recommendations for strengthening public transport.



Opening session, Zagreb, October 2007

Second Working Group Meeting, October 2007, Croatia

The second SPUTNIC working group meeting took place on October 4 and 5 in Zagreb, Croatia.



New tram in Zagreb, October 2007

Almost 60 participants in four working groups discussed public transport challenges and solutions. The Market Organisation working group focused on the institutional framework and co-operation possibilities, while the Customer Relations working group explored ideas for improving the image of public transport. Experts in the Corporate Management working group looked at options for restructuring public transport companies. Ways to upgrade equipment and accessibility issues were the core topics for the Equipment and Operational Aspects working group.

The meeting concluded with a site visit organised by the public transport operator in Zagreb (ZET).

SPUTNIC State-of-the-Art Report

The discussions and expert input from the second working group were consolidated into the third deliverable of the SPUTNIC project: the State-of-the-Art Report.

The consortium collected information and analysed the current situation, drawing on existing research and demonstration projects in the area of public transport in Europe, particularly in cities and regions undergoing rapid economic development. The report is awaiting approval by the European Commission Directorate-General for Energy and Transport. Once approved, the document will be published on the SPUTNIC website.



Interior of a new tram, Zagreb 2007

SPUTNIC interactive forum online

In order to stimulate discussions on public transport challenges and other related issues, the SPUTNIC project consortium launched the SPUTNIC discussion forum on its website in March 2008. The forum, which is organised around a "question of the month", started with one of the hottest topics:

Should public transport infrastructure development and operation be subsidised?

Public transport experts, practitioners, and other interested parties can add their opinions and view others' comments. The topic will change periodically to cover different public transport-related

"Should public transport infrastructure development and operation be subsidised?"

problems identified by the consortium. To join the forum and submit your opinion, visit www.sputnicproject.eu.

SPUTNIC visit to Cyprus

On March 28, a SPUTNIC partner (Transmart Consulting) met with the mayor of Limassol, Cyprus, to present

the goals of the SPUTNIC project and the results achieved to date.

Discussions are under way regarding the upgrading/updating of the existing bus system in the fast-growing city of Limassol.

It is the only city in Cyprus with a public transport plan and has been granted the status of "pilot city" for the implementation of public transport services. Apart from the mayor and the local public transport operator, many important local-level politicians attended the meeting, and great interest was shown in SPUTNIC. The local press was also present. The meeting resulted in a formal invitation to present SPUTNIC at a public discussion in the near future.

New EU regulation on rail and road public passenger transport services

During the second meeting of the Market Organisation working group, experts and SPUTNIC partners discussed the new EU regulation on public passenger transport services by rail and by road and its influence on market organisation. A presentation was made by Peter Faross from the European Commission Directorate-General for Energy and Transport.



Discussions in the Market Organisation working group, Zagreb 2007

The new regulation, EC 1370/2007, was published in the Official Journal of the European Union on December 3, 2007.

According to the new regulation, all service conditions must be set out in contracts that specify obligations; areas covered by the services; services to be operated; parameters of the compensation paid from the transport authority to the operator; and the duration of the contract.

The regulation allows transport authorities to introduce quality criteria into contracts, and to stipulate penalties and rewards based on how well the operators meet these criteria.

Cities or regions with internal, or so-called in-house, operators will still be allowed to award contracts without a tendering process but they will have to make public all the terms of the contract.

If a transport authority wishes to engage an outside operator (third party), contracts will have to be awarded through competitive tendering. Contracts for rail services may always be awarded without tendering.

The transport authority has to make public detailed information about both planned and existing contracts.

The regulation requires that working relations between transport authorities and their operators be set out in detailed contracts, with social or other discounts compensated by funding agreed in advance.

The regulation could have a particularly dramatic effect in the new EU member states (as well as in candidate and aspiring member countries), where public transport administration is less evolved than in the West. In the candidate

state Croatia, for example, only three municipalities have formal contracts with their public transport operators; the rest function at the whim of politicians, with all the financial insecurity this entails.

"A city can't have a social policy of discounted public transport fares without paying for it, because in the end, the burden will fall on the operator."

At the Zagreb meeting, operators said that the regulation could relieve them of the burden of socially motivated but unfunded discounts currently imposed by authorities. Such discounts represent a serious problem, due to the high proportion of passengers entitled to concessions.

Reduced transport subsidies are just one possible impact of the new regulation, the main purpose of which is to increase accountability and transparency in public transport services.

First steps for improving the image of public transport

During discussions in the Customer Relations working group, experts and SPUTNIC partners formulated initial “guidelines” towards improving the image and awareness of public transport. The most important are:

Start with image improvements as soon as possible, partly because of the long-term effort required but also because it is more cost effective compared to investments in infrastructure.

Get to know customer expectations in order to improve the image of public transport and increase passenger numbers.

Use current trends such as the objective of climate change mitigation in order to **obtain additional funds** from decision makers.

Have confidence in the huge advantages of public transport over other modes of transport.

Use external experts/consultants, if

in-house marketing know-how is not available.

Keep mass media informed and use them to convey positive messages about public transport.

Keep image campaigns realistic: avoid giving the impression that passengers can commute in roomy trains if the reality is different.

Focus on current customers since it is always easier and cheaper to keep existing users than attract new ones.

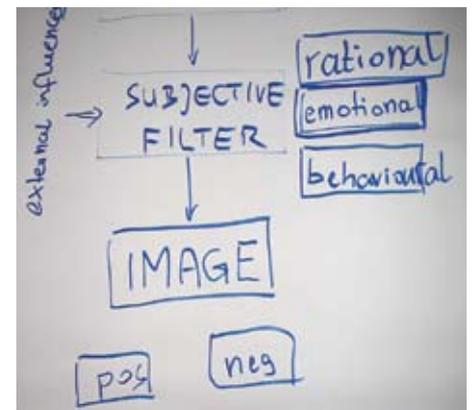
Improve awareness among non-users even though current users remain the main target of any campaign.

Correct misconceptions among customers and non-customers **regarding costs and travel time** in terms of public transport versus the car.

Instruct drivers and conductors, since they can spread a positive image of

public transport **by offering high-quality service**. This is a really cost-effective marketing tool.

In the event of **competition among different public transport companies** in the same city, all need to contribute to the positive image of public transport while being free to develop their individual company brand.



Discussion on image, Zagreb 2007

Corporate management issues: the need for change among public transport authorities and operators

The Corporate Management working group members discussed the restructuring methods and processes used by public transport authorities and companies. They came to the general conclusion that there is significant interest among authorities and companies in how to cope with change and in the particular methods used in both small and large cities in Central and Eastern Europe.



Discussion in subgroups, Zagreb 2007

Based on the collected information, a full inventory of indicators was drawn up of indicators for the need for change. It seems that accountability is not clearly communicated or measurable, resulting in subjective and biased performance appraisals.

Different sections of organisations are significantly over- or understaffed. Communication at the organisational level is very often inconsistent, fragmented and inefficient. Personnel retention is a significant problem: there is a high turnover of staff and productivity and morale are stagnant or deteriorating. The introduction of new technologies leads to changes in workflow, production and processes, which have to be managed and which influence company performance.

Possible steps towards restructuring public transport companies and organisations could include the following:

First thoroughly **diagnose** the need for change, while avoiding the “paralysis of analysis”.

Define whether the required change is dramatic and fundamental or merely the improvement of part or parts of the organisation, such as divisions or departments.

Have a clear understanding of the reasons for restructuring.

Develop a clear description of the goals for change and reach consensus at all levels of the organisation.

Make a plan for strategic change and describe the various tasks and responsibilities.

Remember that:

Restructuring affects the emotions of those involved.

Planning and timing are very important and should be included in the project plan. It can be a good idea to make a plan for the “first 100 days” of the change process, promoting a sense of urgency among change agents and personnel.

The change process can be managed more effectively in a matrix.

It should be clear at the start which “quick gains” can be achieved.

The role of the human resources department is crucial and special HR policies should be designed (e.g. a mobility centre to help people who have to leave the company etc.)

Clean buses and innovative technologies — the needs and problems of small and medium-sized cities

The Equipment and Operational Aspects working group meeting was dedicated to the general topic “Upgrading of fleets and maintenance strategies”. In most cases, small and medium-sized cities have no rail-based public transport and usually rely only on bus systems or trolleybuses (especially in Eastern Europe). Participants therefore discussed and evaluated different bus systems in relation to state-of-the-art technical solutions and possibilities for road-based public transport.

The pros and cons of trolleybuses were highlighted and discussed at the beginning of the expert session. During the meeting a presentation on the latest hybrid technology for buses showed the advantages and enormous potential of this technical approach. The presentation covered different forms of hybrid technology:

diesel engines with electrical support; electrical engines with diesel support; diesel just for supporting batteries; traction via electrical engine (e.g. hub motors, parallel/series hybrids); etc. The documented fuel savings were impressive, especially in combination with energy recovery and energy storage.

The presentation on the Quality Bus Network (QBN) in Dublin gave experts a detailed insight into the potential of a modern high-quality bus network. This topic was supported by a presentation of the situation in the public transport sector of Brno, Czech Republic, which includes tram, bus and trolleybus systems, and the city’s (GPS-based) information system.

Two presentations covered the current situation in the field of accessibility in public



Discussion on accessibility details, Zagreb 2007

transport systems, including examples for buses and trams. The example of Grenoble, France illustrated that state-of-the-art citywide public transport accessibility for disabled or handicapped people is possible.

Next steps for SPUTNIC

The project partners and experts will continue their work together to develop recommendations and to assist public transport stakeholders in transforming public transport systems into attractive and modern means of transportation.

The project team is very advanced in their preparations for the third SPUTNIC experts working group meeting, taking place on April 16–18 in Leipzig, Germany. The topics will be innovative financing models in market organisation, the development of customer relations and customer dialogue, development skills and competences in corporate

management, and migration strategies for innovative technologies. Summaries of the discussions will be published on the SPUTNIC website.



SPUTNIC cluster leaders, January 2008

The team has recently been focusing on identifying cases of good and best practice in market organisation, corporate management, customer relations and equipment and operational issues. Concrete results and examples will be presented in a user-friendly format and published this summer on the SPUTNIC website.

The fourth and last SPUTNIC expert working group meeting is planned for autumn 2008 and the consortium has already started its preparations. More information will be available on the project website this summer.

If you have any comments or any questions, or if you would like further information, please visit the project website www.sputnicproject.eu or contact Sebastian Emig at sebastian.emig@uitp.org

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