Decentralisation of Regional Train Services in the Netherlands

Mr A.J. Toet
Managing Director Railplan
Key issues

1. Will decentralisation make regional passenger transport by rail more attractive for customers?

2. How can decentralisation and market liberalisation be implemented?
80s:
First experiments with integration bus/train in less urbanised provinces to keep weak railway lines in operation (initiative of provinces)

80s/90s:
Policy aimed at improving public transport based on introduction of competition with decentralisation of decisions
Characteristics of decentralisation in the Netherlands

- Core network in a 10-year NS concession (2000-2009), other lines form the ‘Contract Sector’

- Gradual decentralisation of regional rail lines, mostly as integrated PT services

- First three experiments in three different provinces (1999/2000), because:
  - poor financial performance of regional train services threatened continuity (competition bus/train)
  - provinces convinced to organise regional PT better than MOT
Role of the national Government

- Allocation of budgets to regional Governments
- Harmonisation of interregional and national transport
- Provider of rail infrastructure
- (Initially) assist local authorities in contract negotiations/tendering
Key issues for national Government

• Approach: less cost or improved service level
• Ensuring availability of rolling stock
• Tariff policy (possibility for differentiation?)
• Financing/Subsidy (to operator or local authority?)
• Personnel (transfer conditions)
• Infrastructure charges
Role of the regional (provincial) Government

- Negotiate contracts with operators; through Direct contracts (2 provinces) or tender (1 province):
  - *Tendering gave lower price, but no improvement in service level*
  - *Direct contracting gave access to necessary expertise from the existing operator*
Key issues for regional Government

- Transfer from incumbent to new operator
- Availability of rolling stock
- Transfer of staff (job flexibility, conditions)
- Duration of concession and related conditions for transfer of (new?) rolling stock/other investments
- Integration of tariff structure bus/train – ticket system
Conclusions

• Decentralisation resulted in sustainable, integrated PT services at lower cost/better quality

• Decentralisation is a learning process for provinces, but encouraged innovation

• Open tendering requires in-depth expertise at regional authorities; direct contracting easier to start with

• PT has become a Public-Private Partnership (investments financed by private sector)
Recommendations

- Start with pilot regions and carefully manage experience and expertise on regional PT development
- Conceive solution for relation rolling stock technical lifespan / concession period
- Set clear conditions for transfer of staff
- Include a performance bonus/penalty system in contracts
- Set targets for maximum no. of passenger transfers (avoid excessive scattering of concession areas)