A Vision for Integrated Urban Mobility: Setting up your Transport Authority

by the Organising Authorities Committee
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UITP is advocating for the doubling of the market share of public transport worldwide by 2025 (UITP ‘PTx2’ strategy). This ambitious target needs strong political support. Transport authorities have the professional expertise on mobility and sustainability in an urban context. They can therefore help to achieve these goals - especially by showing how they can be put into practice.

This report is addressed to readers who are interested in understanding the practical steps and necessary conditions for setting up a transport authority with responsibility for public transport policy in the context of integrated and sustainable mobility strategies. In line with the UITP 'PTx2' strategy, the guidelines advocate the benefits of improving the existing transport market by implementing or enhancing a transport authority. Creating new structures is not a straightforward matter of copying what happens elsewhere; it must instead respond to the local political and socio-economic context. Therefore, this document does not present ready-made solutions. It is rather aimed at drawing up a checklist of the major issues and questions that need to be addressed when considering outlining plans to set up a transport authority or revising its role, competences and tasks. Whilst this report focuses on urban and suburban areas and their surroundings, many aspects are also applicable to rural and less densely populated areas.

Furthermore, a number of case studies have been chosen from Europe, the Americas, Africa, the Middle East, Asia and Oceania to illustrate, from one city to another, the diverse range of governance approaches, of public transport markets and of competences devolved to authorities.

Organising Authorities Committee
This publication was prepared by members of the Organising Authorities Committee (OAC) of the International Association of Public Transport (UITP) as part of common efforts to promote the creation of integrated transport authorities for better and cleaner mobility in cities.

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1 Integrated Urban Mobility Policies

Public transport drives the economy, is environmentally sound, alleviates congestion and connects people to places. In fact, it contributes to lowering transport costs, creating direct and indirect jobs, tackling the issues of road congestion, energy efficiency, pollution and climate change, providing access to the workplace and leisure activities in urban areas and promoting social equality. As such, public transport has a fundamental mission to provide mobility for everyone and should therefore be considered a public service. Furthermore, by offering an attractive alternative to the car, public transport is a key factor in helping achieve higher levels of urban quality and more sustainable cities. In order to push for a change in mobility patterns, UITP has set an ambitious target of doubling the market share of public transport worldwide by 2025.

In order to achieve this ambitious and politically desirable vision, five areas of action have been identified:

- Deliver lifestyle services to become the mode of choice for citizens;
- Develop visionary integrated policies;
- Create a new business culture;
- Secure stable funding and investment schemes;
- Design and implement effective demand management policies and measures.

Establishing a professional and well-organised transport authority is a prerequisite for achieving these ambitious objectives; in particular when it comes to developing visionary integrated urban policies.

Mobility and transport play a key role in the social and economic development and competitiveness of an area, allowing people to participate in activities for different purposes and in different locations. Transport networks, both for people and goods, are the lifeblood of cities, in economic, social and physical terms. This is particularly true today where more than half of the world population lives in cities; a proportion that will steadily increase in the coming years and will require ever-more efficient and sustainable urban mobility policies.

Mobility and transport form part of a very complex system, where people moving on foot, bicycle, car or by public transport, as well as freight, share the same urban space, in most cases as road and interchange facilities. The growth of the different modes has been unequal in the past (with a higher modal share of private vehicles, more and more urban space taken up by moving and parked vehicles, with very limited space available for pedestrians and cyclists, etc.). This has generated a number of today’s problems and challenges:

- road congestion (which is estimated to cost around 2% of GDP in the European Union);
- the harmful effects on the environment and public health of emissions and pollutants (CO₂, NOₓ, PM10, etc.) and noise emissions; and
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- impacts on energy (with transport accounting for about 30% of energy consumption) and climate change (the greenhouse effect).

On the other hand, transport networks, and in particular the public transport infrastructure, services and facilities, represent one of the major factors determining the global competitiveness of our urban areas.

Consequently, there is an increasing need for government to adopt integrated strategies and policies based on structural measures that will address today’s problems and challenges with the aim of encouraging modal shift in favour of public transport and the so-called ‘soft modes’ and promoting eco-friendly behavioural change. Such measures include:

- The integration of land use and urban planning with mobility and transport planning to give everyone access to the transport network;
- The integration of all public transport modes;
- The improvement of public transport infrastructure, services and interchange facilities, expanding capacity and increasing quality levels;
- Traffic rationalisation, smoother traffic flow and the improvement of road safety;
- Traffic management, real-time information, infomobility;
- The improvement of ‘soft modes’ (cycling and walking) and their integration in transport planning and city design. Promotion of ‘car sharing’ and ‘bike sharing’;
- The development of e-ticketing and fare management systems;
- Better integration of freight transport within integrated transport strategies;
- Demand management policies (e.g. parking policies and regulation, mobility management) integrated with pricing strategies and traffic restrictions when required (e.g. congestion charge, pollution charge, low-emission zones);
- Reduction of air pollution and noise emissions, greenhouse gas emissions and energy consumption, promoting the use of low-environmental-impact vehicles in public transport, lower-carbon vehicles and fuels and energy-saving driving;
- Better cross-sector measures that promote social, health, economic and other policy fields.

In all these areas, public transport has major advantages over the private car. To promote modal shift in favour of public transport, high-quality and attractive public transport services are essential. And this can best be realised efficiently when various interdependent policies are coordinated or better integrated: mobility/transport planning together with land-use and urban planning is vital, but coordination with environmental policies, energy policies, tax policies, etc., must also be ensured. Politicians are ideally placed to take long-term and strategic decisions and define the key objectives for public transport and local mobility. In this context, well-positioned transport authorities can help deliver these politically desirable transport strategies in practice, implement integrated urban policies and define service requirements.

At this strategic level, the objectives, priorities and challenges to be addressed by regional and local authorities are:

- Mobility aims of transport policy and the level of modal shift in favour of public transport;
- Structural policy (land use and urban planning) and economic development;
- Mobility and transport planning (with the aim of reducing road congestion, increasing road safety and encouraging modal shift in favour of public transport);
- Environmental and energy planning (with targets to reduce pollutant and greenhouse emissions and achieve energy savings);
- Social equity and social inclusion policies;
- Global urban governance policies and coordinated transport policies at the different planning levels (regional, provincial, municipal, among neighbouring municipalities);
- Improved quality and attractiveness of public transport services;
- Efficiency/effectiveness of public spending on mobility/transport.

An authority for integrated mobility
For the reasons mentioned above, sustainable mobility solutions and integrated public transport networks should rank among the top priorities of regional and local political authorities. Dedicated transport authorities can therefore help to set up an integrated and attractive public transport service that will be commonly accepted as a public service and not seen as a purely commercial service, recognising the fact that public transport fulfils objectives of mutual interest (mobility for all, accessibility to jobs, social cohesion, local economic development, etc.)

Many cities and regions have therefore chosen to develop public transport policies and some form of transport market regulation, in combination with public investment in infrastructure and financial support for service provision.

An active role of policy makers in shaping public transport services in cities and regions builds upon the understanding that an optimal design and coverage of services requires public commitment. The national and sub-national legal framework will determine how the market is organised and the level of intervention possible in the passenger transport markets (for example, who will award contracts or authorisations and finance public transport services). There may well be an exception in the case of deregulated markets, where public transport is considered more as a commercial service. Regulatory concepts in different countries vary from a simple definition of very general rules for public transport to highly regulated markets. In an authority-initiated regime, the public transport authority may take the initiative to operate transport services itself or assign transport companies with these tasks. In market-initiated regimes, operators can enter the market autonomously, although there may be regulation or access conditions for both market entry and market behaviour, such as minimum service requirements for operators. It must therefore be noted that the role and tasks of transport authorities are substantially determined by the level of regulation and the use (or not) of contracts, which have become a common tool of agreement or commitment between authorities and operators. (Figure 1)

Transport authorities are organisations which act in the public interest with responsibility for a well-functioning and integrated transport system within their area. They are responsible for the planning, organisation and financing of public transport services and, as such, provide public services that would not be provided on a commercial basis. Transport authorities help to ensure the integration of and improvements to public transport by providing priority for public transport on the road, integrated ticketing and fare management, incentives to improve quality, integrated timetables, coordinated information systems and marketing campaigns, etc.

In light of objectives that seek to promote integrated mobility strategies, sustainable urban development and increased public transport modal share, this report stresses the importance and benefits of broadening the competences of transport authorities beyond the exclusive role of organising public transport and include such policy fields as land use and urban planning, street management, parking policy, business settlement policy and housing, which are key tools for predicting and managing urban flows. Considering this broader remit, the body in question may no longer be considered a ‘transport authority’ as such, but would rather evolve towards a ‘mobility and urban development agency’.
2 Setting up your Transport Authority

The restructuring of existing models of governance and/or the introduction of a new transport authority may be challenging and subject to a number of significant political, institutional and legal hurdles. A large number of issues need to be considered by decision-makers in order to create an efficient transport authority with well-defined competences that are in line with the local historical and socio-economic background of the city, region and country.

In line with the UITP ‘PTx2’ strategy, the key objectives of a transport authority are to achieve an efficient transport organisation, a defined level of integration of all public transport modes and, as recommended in this report, of cross-sector policies. The structure and functions of the transport authority will depend on which of these objectives it chooses.

Once a thorough analysis of the current circumstances regarding the role of public transport has taken place, a strategy and action plan can be developed. The following questions are important at this stage:

- How can the current situation be improved and what are the challenges/obstacles that need to be tackled?
- What are the financial constraints?
- Is there willingness for change? Do the parties involved share common goals and a common understanding of what has to be done?

A rigorous analysis of the existing structure of public transport should enable the specific problems and shortfalls to be identified. They may for instance be connected to the failure to agree on and set up public transport priorities or to communicate/transpose objectives to the tactical and organisational level. They may also arise from institutional failure, for instance if existing authorities are not well positioned or tasks between the different levels are not well defined. They may also emanate from market failure, if transport companies either are not given sufficient incentives or do not have sufficient competences to meet policy requirements. Conflicting interests surrounding public transport objectives and/or a lack of financial resources may inhibit change. For this reason, the most appropriate action plan may not always be followed, but a pragmatic solution should nevertheless be found.

If some parties feel that their needs and interests are neglected or that they are going to lose power under a new market organisation/structure, they may not support or may even try to undermine the process of change. A reorganisation of public transport will therefore not only need the support of political bodies and transport authorities but also operators and passengers, who share a common understanding on what needs to be achieved. This implies the need for setting up an active and constructive dialogue on mobility strategies from the beginning and thus requires room for public consultation, discussion and collaboration. Strong leadership is needed and strong actors should be clear about the political priorities for public transport, the challenges that have to be addressed and
everyone’s role in the consultation. This process is recommended as it will allow better assimilation and legitimisation of any proposals for a new structure, which will often mean substantial shifts in competences and decision-making, which in turn may affect the existing political landscape.

In order to successfully set up a transport authority responsible for integrated mobility policies, the following key matters need to be considered:

- **For which modes of transport will the transport authority take responsibility?** Public transport in cities and regions, regional passenger rail services, roads, park & ride, bike & ride, bike sharing, mobility management initiatives, etc., or even management of all transport modes.

- **Should the transport authority take over (or have the competence to take decisions on) other responsibilities that support the achievement of integrated urban and mobility policies?** Mobility planning and management, road traffic/highway planning and control, parking, environment and energy planning, land use and urban planning, drawing up feasibility studies regarding new transport infrastructure and/or services or restructuring of transport services, etc., public transport planning and/or investment planning.

- **For which geographical area should the transport authority carry responsibility?** What is the best geographical delineation which is best aligned with transport needs in an area? Such an area could for instance be based on the catchment area of the transport network, the economic region, the geographical boundaries or the population density and would have to involve institutions at different administrative levels (e.g. country, regional or local level).

- **What should the role of the transport authority be regarding transport infrastructure and rolling stock?** Should the transport authority or the operator be the owner of public transport infrastructure (e.g. stations, depots, etc.) and rolling stock or should the operator own them? What should be the role of the transport authority when it comes to capital investment, building new infrastructure and buying new rolling stock?

**How should the transport authority implement the task of integrating public transport effectively?**

- By coordinating the actions of public transport authorities and transport companies in one specified area;
- Through the apportionment of passenger revenues;
- By providing integrated information;
- By taking responsibility for, at least, integrated ticketing (fare integration may not always be feasible or desirable);
- Through integrated fare management;
- By creating a unified brand of customer-facing public transport services (integrated pricing scheme, marketing & sales, market communication and branding of the public transport system).

**Master plans as a tool for integrated and sustainable mobility:** In fast-growing and rapidly transforming cities, where there is no control over urban sprawl, with the resulting disruption to mobility, it is becoming ever-more challenging to attain objectives of integrated and sustainable urban development. Master plans offer an efficient, long-term tool that can focus on sub-regional cohesion and the integration of urban planning and mobility policy. They have shown to be particularly successful if:

- Long-term objectives are set and remain stable;
- Various policies are well considered and geared towards those clearly defined objectives;
- A significantly large zone is covered, or at least if neighbouring areas develop concerted and cooperative models.

These factors are best integrated, defined and clarified in a master planning exercise during which various stakeholders’ opinions can be expressed, discussed and decided upon. Such a master plan helps to control and plan growth and will avoid disruptive and spontaneous short-term and individually advantageous development, leading to a sub-optimal, or possibly even nightmarish, scenario.
**Governance and organisation**

Autonomy is a necessary prerequisite to effectively address local or regional problems and is achieved through a sufficient level of decentralisation. Moving powers and responsibilities in relation to local or regional matters from the national government to local or regional authorities will allow a better understanding and assimilation of the problem, while giving a sense of responsibility to regional or local stakeholders who are by far the most concerned with mobility in their area. At local level, it is important to provide a transport authority with the necessary autonomy and strength that protects it from major political and structural changes and ensures its durability. To achieve a comprehensive integration of public transport services, it is also important to avoid too narrow a territorial scope and instead promote the establishment of a transport authority at the regional level, offering a suitable compromise between proximity to public needs and integrating policies. The following questions outline key points to address:

- **Existing or new institution:** At what level will the transport authority be set up? What existing organisations or structures will be connected with the setting up of the transport authority (consolidation of different former units, new foundation)? For example, will the authority be integrated into the municipality, or will it be an overarching structure covering several municipalities of an area, or will it be independent from the municipality?

- **Decision-makers:** What decisions can be taken autonomously by the transport authority? What decisions will fall under the jurisdiction of the participants/shareholders of the transport authority? When do they have to support decisions? When will the involvement or the votes of transport companies be necessary?

- **Who shall be the participants/shareholders?** Public entities (government; transport, urban development or economic unit), companies, cooperation between private and public actors?

- **What interfaces with other public institutions exist and how can the work of the transport authority and other institutions be best coordinated (e.g. link to regional/municipal authority)?**

  How are the relationships between the transport authority and other administration levels structurally organised to give an efficient and transparent process?

- **What are the options for coordination with neighbouring authorities and other (regional, national, neighbouring) transport operators?**

- **What type of organisational structure for decision making is needed?**

  - What kind of committees have to be established? What kind of working method is chosen (round table, working teams)? How often do the committees meet?

  - Who are the members of the committees (politicians/specialists)? Are only participants admitted or are guests (e.g. from neighbouring transport authorities) also invited? How many members sit on the committees?

- **Which decision-making methods shall be selected?**

  - Structure and hierarchy of decision making?

  - What decisions require a consensus? What decisions require a simple majority? How are voting rights distributed?

**Financing and allocation of public funds**

Various financial resources exist, as do many ways of using them: subsidies, fare policy, taxation, etc. When setting up a transport authority, decisions have to be taken to allow sufficient financial autonomy for the authority and, as such, enable local authorities to address mobility issues with their own financial resources. The following points should be considered:

- **How and at what institutional level** (local, regional, national?) are public transport investments and operation deficits financed? Who and what public institution will decide and vote on the transport authority's budget?

- **What are the financial resources available to the authority** (from fare and/or shop revenues, etc.) and how will they be collected? Should the transport authority or another public body be allowed to collect a specific tax (for example, on companies located in the catchment area of the authority or on sales in a specific area)?
• Who decides and how on the principle and level of compensation? Who will own revenue/resources? How will this be used? How should the transport authority collect and distribute fare revenues to the operators based on the level of services provided by each operator in the geographical area? How will the fare structure and fare levels be decided and by whom? What incentives should there be for operators to increase revenue and what autonomy do they have?

All these questions regarding financing are closely linked to how responsibilities are shared between authorities and operators and consequently to the type of contract(s) that will be agreed on between both entities.

What should the relationship between the transport authority and the operators be regarding the division of responsibilities and tasks between both entities? The fair distribution of opportunities and risks between the parties will be a decisive factor in agreeing this division and allocation of responsibilities. The principle which applies here is that whoever takes the opportunities and risks is the party most likely to be able to influence them. The following questions should be considered regarding the functions and roles that authorities and operators should fulfil in providing public transport as well as the competences required:

• To what extent is there a natural overlap between the commercial interests of the operator, the interests of the citizens as well as the interests of the authorities?

• To what extent is it possible to reconcile the interests of the public authorities with those of the operators?

• Which interests of the public authorities and the operators are in conflict with one another?

• How best to ensure that public authorities and operators are capable of determining the public’s need for public transport and of responding to this demand adequately?

• How to ensure that an operator is capable of acting as a commercial enterprise? Besides profit, entrepreneurship is also about taking risks and responding to the changing wishes of present and potential future customers.

More specific and practical questions regarding the distribution of tasks should be raised once these questions are addressed:

• What would be the consequences of assigning a particular task to the authority or to the operator, and to what extent will the interests of the public be served by this?

• Are the authority or the operator capable of carrying out this task properly?

• Does a certain task naturally fall under the competences of the authority or the operator?

• Is the performance of a certain task compatible with the interests and objectives of the authority or the operator?
These questions raise issues regarding the choices that have to be made but those choices will also be heavily influenced by the city's historical, political and socio-economic background. This should result in concrete proposals regarding the choice of type of operators and the distribution of responsibilities:

- Should the transport authority establish an authority-owned operator?
- Should the operator be a directly awarded local organisation or an external operator (or several operators) selected following a competitive tendering process? Are operators private companies or local public companies?
- Shall/can the transport authority be a shareholder in one or more local public-owned operators?

There is no one specified set of powers and duties and no one best way of structuring transport authorities. Rather, there is a wide range of options as to how they can be organised. Usually however politicians would be expected to take strategic decisions and therefore set out the key objectives of public transport in their area. In this context, well-positioned transport authorities can help to put politically driven transport strategies into practice and define the levels of service specification and requirements (so-called tactical decisions). Finally, operators should then be operating services in line with these service requirements and, in the specific case of public-service reductions, financial compensation needs to be calculated accordingly.

Decisions at these various levels are depicted in the pyramid above (Figure 2). Furthermore, it needs to be stressed that tasks need to be aligned with roles and responsibilities.

As a final step, the obligations of the operator and the authority will be set out in a formal contract that will regulate how the parties act.

This contract can be considered a performance tool to regulate the public transport network and will focus on the division of responsibilities between all the partners and on the respective outcomes. The contract establishes new relationships between the transport authorities and operators and is a control tool for policies drawn up collaboratively, taking into account the comprehensive mobility policy, the needs of customers, day-to-day practicalities and economic developments, in order that the quality of services and productivity levels can be increased.

The type of contract depends on the allocation of risks and responsibilities between the contracting parties. It illustrates the willingness of the transport authority to remain influential on decisions and bear industrial and/or commercial risks or to leave certain responsibilities to operators (Figure 3). This choice is substantially linked to the local political and financial background.
The following questions need also to be addressed when considering the type of contract:

- Shall sliding scale clauses be introduced, whereby the transport authority partly bears the risk of a rise in the input prices of the operator (e.g. for energy or personnel costs)?
- What quality regime and management approach should be introduced in the contractual relationships between the authority and the operators? Should quality incentives be introduced with the use of indicators measuring quality thresholds that need to be met with a system of bonus/penalty depending on the operator’s actual performance?
- Should the transport authority agree the same contractual obligations with every operator or should it vary its expectations according to the responsibilities of the operator and the desired level of service? Here, it may be useful to emphasise that, from the customer viewpoint, the service is seen as one seamless package, regardless of the contractual arrangements between the authority and its operator(s).

Once responsibilities have been transferred to the new organisation and it has established its position and powers, one can start evaluating how far the transport authority contributes to putting political objectives into practice and whether further changes are still (or will become) necessary, as part of the general evaluation of transport policy.

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<th>Management Contract</th>
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**Figure 3**
Additional sources of information

For more detailed information on the work and variety of transport authorities, please refer to the following UITP publications:

- **A Market in Motion**, published by the Organising Authorities Committee of UITP.
  www.uitp.org/publications/index2.cfm?id=7#AMM

- **A One-Stop Approach to Mobility: The Challenge of Integration**, which presents different options for integration along with good practice examples.
  www.uitp.org/publications/index2.cfm?id=7#OSA'

- **The Organising Authorities Mission Statement**, which describes the added value of a transport authority in the supply chain of transport services.

- **Overview of public transport in Sub-Saharan Africa**, which offers a unique and comprehensive insight into the organisation of public transport in Africa.

These publications and more information on the UITP Organising Authorities Committee and the UITP PTx2 Strategy can be accessed following these links:

- UITP: [www.uitp.org](http://www.uitp.org)
- UITP Organising Authorities Committee: [www.uitp.org/Public-Transport/organising-authorities/index.cfm](http://www.uitp.org/Public-Transport/organising-authorities/index.cfm)
- UITP PTx2 Strategy: [www.uitp.org/advocacy/public_transport.cfm](http://www.uitp.org/advocacy/public_transport.cfm)