

SOCIAL CONDITIONS AND RIGHTS IN PUBLIC TRANSPORT

Instruments for **trade union representatives** to master changes in **public transport** regulation and market

A TUTORIAL FOR TRADE UNION ACTIVISTS IN URBAN PUBLIC TRANSPORT

TRAINING MATERIAL FOR THREE TRAINING SESSIONS

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1. CHARACTERISTICS OF THE EU LOCAL PUBLIC TRANSPORT MARKET

The importance of public transport for a sustainable society

The use of public transport is an important indicator for access to mobility in our society and the sustainability of the transport system. Public transport generates less pollution in the environment and can be an alternative to the individual use of private motor vehicles. In 2006 the European Union's share of public transport within total passenger turnover was 15,7%¹.

Between 1995 and 2006 the public transport modal share compared to total passenger transport performance has increased slightly by about 1% in the EU-27, while the absolute number of passengers in Local Public Transport (bus, tram and metro services) increased by nearly 2% in the same period.

In spite of the dominant share of individual passenger cars of 72,7% in comparison to 9,6% for local transport by bus, tram, and metro services, the role of local public transport received more and more attention in transport policy at EU level and in most of the Member States. In these days nearly 80% of European citizens live in an urban environment and they share the same infrastructure and space for their mobility needs. Consequently Local Public Transport could become an important player in order to ensure quality of life of citizens.

In order to facilitate the mobility of the citizens in a sustainable way and to reduce the impact of environmental hazards, all local transport modes like walking, cycling, motor cycles, motor vehicles and collective public transport have to be developed to an integrated sustainable local transport system. To face these problems and to achieve this aim, public transport, especially local public transport has to develop new "levels of comfort, quality and speed that come up to people's expectations", so the wording in the Commission's White Paper 2001² on European Transport Policy.

Within the EU nobody would deny the increasing importance of urban public transport policies. But we can see on the other hand the lack of consistency between political aims and the real situation of local public transport in the EU Member States. In total the local public transport market (2008) had a turnover of nearly 60 Billions Euro and about 882.000 employees³. And it has one common characteristic in all countries: Local public transport needs compensation from the public budgets. In other words, local public transport can't be financed exclusively by fares, especially, if there is a desired political aim to offer public transport services with affordable and payable fares. But we can already anticipate that nowadays limited public budgets will enforce the existing difficulties in financing local public transport.

Responsibility for local public transport mainly lies with the local political decision makers and the local competent authorities. This explains why local public transport differs from country to country within the EU. And it differs even from city to city, depending on the national law and practices. There is a broad scope within Europe regarding the structure and the organizational model for local transport: mainly

1 cf. for the followings datas: Eurostat (Ed.): Panorama of Transport 2009 edition, p. 14 + 101;

2 cf. European transport policy for 2010: time to decide, Brussels, COM(2001) 370 final, p.85ff., 2011 adjusted and up-dated in another White Paper, COM(2011) 144 final

3 see Table 1 "Local transport market" in this tutorial, data extracted on 13-03-11 from SBS and t_tran_hv tables at EUROSTAT homepage <http://epp.eurostat.ec.europa.eu/portal/page/portal/statistics/>

the way how financing is organised, the ownership and structure of local transport operators, the kind of the relationship between competent authorities and operators and at least the use of competitive mechanisms in the local transport market as part of the existing regulatory regime of contracting.

PSO - A new European regulation for public transport

On 3 December 2009 a new European regulation for the public passenger transport market came into force: Regulation (EC) No 1370/2007 on public passenger transport services by rail and by road. Since this date it is valid in all Member States and mandatory in all its sections.

The objective of this new Regulation (EC) No. 1370/2007 (in the following **PSO regulation** for Public Service Obligations) is “to guarantee safe, efficient and high-quality passenger transport services **through regulated competition** (emphasised by the author), guaranteeing also transparency and performance of public passenger transport services, having regard to social, environmental and regional development factors”, as is stated in the justification for the PSO regulation.⁴

The purpose of the PSO regulation is to determine how competent authorities may act in order to provide “services of general interests” (public services) in local public transport for example in a competitive tendering process or when directly awarding a public service contracts to the municipal company. It also lays down the conditions under which competent authorities, when imposing or contracting for public service obligations, compensate operators for the costs incurred and/or grant exclusive rights in return for the discharge of public service obligations.

This is one side of the coin, the other is, that local public transport is delivered by people. More than 880.000 employees in EU Member States work as drivers, maintenance workers or administrative staff. They have to deal with different, mostly negative impacts of visible changes in local transport regulation and market transformation through competition like: reduction of workforce, cutting of wages, privatisation of municipal owned companies, loss of job security in case of change of operators or change of working conditions.

Competitive market conditions in a regulated local public transport market will broadly influence social and working conditions. Trade unions and work councils have to deal with the employers in order to improve working conditions and to contain unsocial effects of competition on the local public transport market for example with the help of social clauses. And they have to learn how to deal with new players in the local public transport market: the competent authority as one of the main actors in the PSO-regulated awarding process of public service contracts. Other actors are well-known acquaintances for trade unions and workers’ representatives: private or municipal owned public transport operators. Most of them operate at a local level, but there are also private operators on a national or multinational level.

The ETF SCRIPT project

In 2011 the ETF organised a trade union project for unions organising urban public transport workers with a focus on the new member states and candidate countries. The objective was to better anticipate changes in the urban public transport market in view of the new PSO Regulation and by better knowing major players in the market – the major multinational companies.

⁴ See justification no. 4 of the Regulation (EC) No. 1370/2007

The project informed about available instruments suitable to influence the political decisions and once they are taken, to influence the content of public service contracts by using the possibilities of the new regulation. Trade union representatives have to learn giving answers to a lot of questions in that field of policy making, such as how to interfere at the political level in the principle decision on how to organise public transport? What are the legal opportunities given by the PSO regulation in order to ensure workers' protection in the case of change of operator? What kind of social and quality criteria could be envisaged, what is the level of social standard to be protected?

The SCRIPT project organised an exchange of experience among trade unions from different countries on strategies:

- How to influence the political decision making level;
- How to guarantee workers' representation and ensure trade union representation in that period of changes in the public transport market;
- What are the available resources and what kind of strategy is suitable for the respective country and regional/local situation?

Answering to these questions includes the capability to analyse the competitive market and its conditions as well as possible future developments in the local public transport market as a basis for trade union strategies in that sector.

Participants in the SCRIPT project came from 12 new member and candidate countries: Bulgaria, Croatia, Cyprus, Czech Republic, Estonia, Hungary, Malta, Latvia, Lithuania, Poland, Romania and Slovenia.

This tutorial is a result of the SCRIPT project⁵ and shall support trade unions and their members as well as workers representatives in mastering the changes and challenges in the upcoming regulated competitive urban public transport market.

Some statistics

The urban public transport market of the European Union can be characterised by answering to the following questions:

- How big is the turnover of the sector?
- How many enterprises are there in the sector?
- How many employees are working in the sector?

In Table 1 you will find the answers for the total local transport market of the EU27 for the year 2008.

TABLE 1: EU-LOCAL TRANSPORT MARKET (local transport by country without taxi services, 2008)

	persons employed	enterprises	turnover
EU27 - European Union (27 countries)	882.200	14.717	59.874,0
BG - Bulgaria	16.362	703	210,7
CZ - Czech Republic#	15.000	:	:
EE - Estonia	2.420	17	25,7

⁵ Thanks to Alain Sutour, CGT (France), Martin Mayer, UNITE (U.K.), Stefan Heimlich, ver.di (Germany) and Sabine Trier (ETF) for helpful and cooperative discussions and contributions in the SCRIPT project and also to the participants of the three seminars for their commitment.

CY - Cyprus	979	173	40,7
LV - Latvia	10.425	133	155,5
LT - Lithuania	11.438	431	225,5
HU - Hungary	28.270	75	693,6
PL - Poland	47.476	897	1.401,3
RO - Romania+	46.872	2.119	554,4
SI - Slovenia	1.031	17	39,6
HR - Croatia	2.931	44	47,7
MT-Malta*	1.050	1	18,0
Total: member states of SCRIPT project	184.254	4.610	3.412,7
+ unreliable data; *data for ATP, self-employed incl. (source: SCRIPT); # SCRIPT estimated; : no data; Source: SCRIPT for Malta and Czech Republic; all other data from Eurostat, extracted: 13-03-2011; cf. fn. 3			

The official data are not complete for all countries and some estimates had to be added but in general terms one may say: the local public transport market in EU27 has

- a turnover of about 60 billion Euros
- which is generated in about 14.700 enterprises
- with about 882.000 employees.

These figures give a general impression of what is called the “EU local public transport market”. But these statistics have little relation to the real situation of the sector in each EU Member State.

There are quite different specifications and they differ from country to country, e.g. when looking at the share of public transport in total passenger transport turnover (2007)⁶. There are Hungary (38%), Bulgaria (29%) and Slovakia (28%) on the top and Lithuania (less than 10%), Great Britain (13%) and Netherlands (13%) at the end. Or Estonia, which has a comparatively high share in local transport by buses and trams (23%), but a share of only 2% in railway transport .

There are similar differences when looking at the twelve participating countries of the SCRIPT project: Bulgaria, Croatia, Cyprus, Czech Republic, Estland, Hungary, Malta, Latvia, Lithuania, Poland, Romania and Slovenia. They together represent a relative small part of turnover, number of enterprises and employees within the overall EU local public transport market (see Table 2: market shares).

**TABLE 2:
URBAN PUBLIC TRANSPORT MARKET SHARE IN THE SCRIPT PARTICIPATING COUNTRIES**

Local Public Transport market	turnover	number of enterprises	persons employed
Other EU MS	95%	76%	83%
SCRIPT participating countries	5%	24%	17%

6 cf. Eurostat (Ed.): Panorama of Transport 2009 edition

But be careful: These data as such explain only little about real nature of local public transport in the different SCRIPT participating countries. Taking the statistics from Table 1 and Table 2 would allow only a wild guess; they are not at all suitable for a comparison of the countries with each other.

The same problem occurs with the data on activities of multinational public transport companies, that can be found by an internet review (see Table 3: Multinational companies active in SCRIPT participating countries). It gave the following result: All in all only about 7.300 employees out of 184.000 (4%) are working in multinational enterprises in the SCRIPT-participating countries.

But a deduction, that multinational companies do not play any role in the local public transport market of the new EU Member States, would be incorrect. If you look at Slovenia or at Malta you can see that multinational companies are very dominant in these countries. Also remarkable is another topic: A new multinational player appears in the European local public transport market. *Egged Europe* (Israel) started in Bulgaria with the financing of buses and it holds by now majority shares in some Polish public transport companies. In other participating countries of the SCRIPT project, in Cyprus, Estonia, Latvia, Lithuania and Romania, no activities of multinational public transport companies are known.

**TABLE 3:
ACTIVITIES OF MULTINATIONAL PUBLIC TRANSPORT COMPANIES IN 'SCRIPT COUNTRIES'**

Country	multinational company	employees	buses	local public transport activities
Bulgaria	Egged Europe	n/a	140	Egged Europe is a 100% subsidiary of Israeli based Egged Taavura Ltd. and holds 51% of Bulgarian "TransTriumpf" in Varna (Egged Bulgaria)
Croatia	Veolia	338	133	Panturist; regional transport in the Osijek area; since Jan. 2011: VTV Pavlic d.o.o. in Zagreb
Czech Republic	Veolia	2.217	1351	Present in 12 urban transport networks
	Arriva	400	250	Companies: Bosak Bus s.r.o, Osnado spol s.r.o.
Hungary	Arriva	384		About 200 driver in Budapest (subcontractor of BKV);
Malta	Arriva	900	500	It starts on 3 July 2011 (Arriva Malta; about 600 employees, estimated)
	Veolia	2.382	915	In two cities: Warsaw and Tczew
Poland	Arriva	n/a	n/a	Only in the rail market (140 employees; 20 train sets)
	Egged Europe	n/a	n/a	MOBILES Poland is a 100% subsidiary of Egged Europe and holds majority shares in 17 local transport companies.
Slovenia	Veolia	702	362	In 3 companies: Certus, I&I, SAP

Sources: internet review homepages veolia.com and arriva.com; egged.com; downloaded:10/ and /23/03/2011

Beyond pure statistics:

In order to better understand the local public transport system in your country, it is important to first understand the nature of the local level before looking into the structure of the national level. For example, participants of the SCRIPT project were in doubt about the number of local public transport enter-

prises in their countries (e.g. Cyprus, Croatia or Lithuania) because their figures did not correspond with the EUROSTAT data. An explanation could be that companies operating only in inter-city transport services were counted as local public transport companies. In other cases the data on the number of enterprises were out-dated because of bankruptcies.

Active learning in groups

For a broader and better understanding of the respective national (local) public transport market and its operating mode, one has to take into account as well more qualitative characteristics and features. Statistics only do not provide this knowledge. Communication with other people, public transport experts and with the colleagues working in the local companies is a good way to gather information. Data from the national Bureau of Statistics, studies etc. would supplement the information research. In a group this work will be done easier.



You should use the trade union structures and meet in groups of trade union and workers' representatives from the different local companies in order to gather a maximum of information on the national and local structure of the (local) public transport system in your country.

This tutorial may give some ideas on how to achieve a broader knowledge of the functioning of the local public transport market in your country:

- about the specific features of your national market and
- about key indicators, which are relevant for trade unions.



The better you know the key indicators from the point of view of a trade union, the better you can use the new instruments of the PSO regulation in order to improve and organise trade unions activities for social standards and workers' protection clauses within the competitive tendering process and in public service contracts.

2. A MEETING - FOR WHICH PURPOSE?

Edita meets Jonas

Editas, a Lithuanian trolleybus driver, trade union representative and chairwoman of the works council of the local transport company meets a colleague, Jonas, a bus driver and shop steward in the same enterprise in order to prepare a union meeting. They plan to set up the agenda of the next meeting and Edita makes the proposal to give a short report about an European trade union seminar that she visited some weeks ago.

Jonas: “Is that all?”, and after a insinuating short break he continues: “I don’t think that this is interesting enough for our members”.

Edita: “It would be, if you hear, what happened in Britain with the local public transport system, when deregulation, privatisation and free competition were introduced,” answers Edita. “And, I heard about a new PSO regulation, which will regulate the upcoming competition in our local transport market. I think, we need a plan about what to do”.

Jonas: “Edita, you don’t really mean that, a plan?”

Edita: “Jonas, just 5 or 10 minutes. I tell you, what I have heard from a trade unionist from Sheffield in that seminar about the experience they made with competition in the local transport market. Here are my notes. Listen, and after reporting, we can decide, what we do.”

Jonas: “For my sake, start.”

Edita takes her slip of paper and begins reading her notes.

Edita: “The British experience⁷”:

1. Local Public Transport in Britain and Northern Ireland

Over 95% of local bus services are in private hands. Five UK multinationals dominate the local bus market; FirstGroup, Stagecoach, Arriva (in process of being absorbed by new Transdev/Veolia merger), Go Ahead and National Express, accounting for 70% of the local bus market between them. Some municipally owned companies survived the privatisation drive in the 1980’s, the biggest of which is Lothian Regional Transport, Edinburgh’s urban bus network. Belfast’s buses and most of Northern Ireland also remains in public hands.

Bus services outside London were deregulated in 1986 (Transport Act 1985). This means bus operators are free to register and operate bus services on routes of their own choosing, with their own fares and timetables. The Local Councils have almost no say in what is run. Bus companies are free to compete with each other over the same stretch of route and charge different fares. Bus operators must register their services with the Traffic Commissioner, a regional Government officer, who does have the power to invoke penalties if the bus operator fails to run their regis-

⁷ Edita thanks Martin Mayer, Unite (U.K.) for his report at the Vilnius Seminar in March 2011

tered services or if their buses are found to be unsafe. Any changes to bus services must be registered with the Traffic Commissioner with 8 weeks notice.

If no bus operator is prepared to run a bus service in an area or at a time when the Local Council believes there should be a service, it may offer out a contract under competitive tendering. In practice many Sunday and evening services, as well as lightly used routes in their entirety, are funded in this way by Local Councils. In country areas up to 100% of the network may be funded by competitive tendering.

Privatisation and deregulation is widely seen as a disaster for local bus services. Fares have risen faster than inflation, passenger numbers have slumped, and frequencies have been cut on all but the most busy routes (which can be very profitable between 0700hrs and 1800hrs Monday to Saturday). Outside these times services have been cut back dramatically and Local Councils have had insufficient funds to support them all through competitive tendering.

London's bus service were privatised but were not deregulated. Transport for London (TfL) defines the route network, timetables and fares and then contracts out each route or combination of routes by competitive tendering to the various London bus operators. Contracts are for 3 or 5 years. As London's bus operators depend entirely on winning TfL contracts, it can be disastrous if routes are lost. Bus drivers may have to be transferred up to 30 miles away to the new operator's depot or lose their jobs. However this contract tendering system is widely seen to be a better model than the de-regulation model that applies to the rest of the country.

The three most important characteristics are:

- Private greed before public need
- High fares, low demand
- Poor Wages and conditions

2. Legal framework: implementation of the PSO regulation

The 2009 Local Transport Act gives Local Councils the power to introduce a "Quality Contract" under the controlled competition model. This power is optional and has not been introduced anywhere as yet. The election in May 2010 of a right wing Government may make it more difficult for Councils to go down this road.

The "Quality Contract" system allows the Council to regain control over the bus network and set the routes and timetables. It will then be possible to contract the entire network (or break up the network into smaller area contracts) to a single bus operator who will have exclusive rights to operate over the contracted routes. The contracts should be awarded using quality as the criteria rather than on a simple lowest cost basis as in competitive tendering, hence the term 'Quality Contract'.

The 2009 Local Transport Act provides for a considerable amount of protection for employees who are transferred from their existing employer to the new employer who wins the Quality Contract. In the first instance all employees currently employed on bus services in the area covered by a Quality Contract must be identified and ensured a transfer of employment to the new operator. Transferred employees are guaranteed pay and conditions no worse than which they previously enjoyed. Transferred employees must be offered pension rights no worse than they previously enjoyed.

UNITE and the other trade unions representing workers in the bus industry campaigned long and hard for Quality Contracts to be introduced and for workers to be duly protected. We have a new Local Transport Act but unfortunately we have no substantial progress to implement the legislation. The process for implementing a Quality Contract is expected to take two to three years from commencement. All of the major bus operators are vigorously opposed to Quality Contracts.

Currently all competitive tendering in Britain and Northern Ireland comes under the Procurement Directives 2004/17/EC and 2004/18/EEC. If Quality Contracts are implemented there is an option to implement the provisions of the new PSO Regulation.

The three most important characteristics are:

- Legislation for controlled competition model is in place but not yet in operation anywhere
- Quality Contracts would fully protect employees' jobs, terms and conditions
- Bus operators object to the change and warn of more bureaucracy and higher costs.

Edita: "What do you say about these experiences?"

Jonas: "We are not in Great Britain and we don't have multinational companies in our field!" And after a short break, Jonas continues: "But, there are some things sounding like our problems: fares getting higher, less services, fewer passengers, no quality standards and poor wages and working conditions - but, what can we do here in Kaunas, in Lithuania?" Jonas responds, after Edita had ended her statement.

Drafting an agenda

Edita: "What can we do? That is the right question, but before giving an answer we have to ask ourselves,

- What do we know about the public transport market and the competitive mechanisms in our country?
- What do we know about the legal framework?
- How can we change our uncertain situation regarding our workplaces?

Isn't it enough substance for our meeting?" Edita is getting upset.

Jonas: "You're right, Edita, that would be enough stuff. However and first of all, I would like to hear something about the new PSO regulation or how do you called it? But we don't have sufficient information about our local public transport market in Lithuanian. Do you know something about the situation in Vilnius, Klaipeda or Siaulii? And, what can we, a trade union, do to influence the competitive mechanisms in our country?"

Edita: "Jonas, I think, you just spoke about the subjects of our agenda for the meeting. - o.k. - We can't do all in one meeting, but I think, we have enough stuff and questions for more meetings" - couldn't we do that?"

Jonas: "Let's organise three meetings:

- one about the PSO-regulation and about what is important for us as a trade union,
- a second meeting on the situation of our local public transport market, let's say: our national report
- and a third meeting on what we can do or, what we should do - a road map."

Edita: “And how long should the meetings last?”

Jonas: “I think, 3 hours will be enough. Let’s start at 2 p.m. with our next traditional Saturday meeting once a month. The next will be in September - Edita, can you start at the first meeting with your story about the British experience? - I will prepare for this meeting the legal matters, the PSO regulation. And now I remember, we got from our colleagues in Vilnius some material, “a trade union guide” or so. I will have a look . Slowly it’s getting interesting.”

Edita: “Hard stuff, Jonas and at the second meeting we can begin with questions about the PSO regulation and discuss them, about 20 to 30 minutes. But now I will write the invitation for our information boards in the depots, the maintenance workshops and the office building. Do you think that Alfonsas will come? I haven’t seen him for some weeks.”

Jonas: “ Alfonsas? I think, if I tell him that you will report on the British experiences in local public transport, he will come. I will meet him Friday next on route no. 6, when I spell him at the end of his shift - oh, I see, only 15 minutes, my shift will start - on route no. 6. I’m curious about how many members will come - Edita - see you at the meeting - I also will come to hear your british story - a second time!”



The following three trade union meetings are examples for organisational developing and will also provide some general information in order to help better understanding the complexity of contracting practices in European local public transport. They could be used as a basic resource tool when you are planning and organising a trade union strategy to improve social and quality standards in public service contracts and within the respective awarding processes.

This tutorial only can give helpful suggestions and the organisational concept of three meetings is just a framework. It lives from the commitment of the participants and their ongoing fantasy to combine knowledge with action. “The journey is the reward”.

3. MEETING 1: THE PSO REGULATION - AN INSTRUMENT FOR TRADE UNIONS?



Material

PSO regulation: Regulation (EC) No 1370/2007 on public passenger transport services by rail and by road.

You can find the PSO regulation in the internet in your language under:

(<http://eur-lex.europa.eu/JOHtml.do?uri=OJ:L:2007:315:SOM:EN:HTML>)

Chose your language on the top, right hand side. Then click on page number 1.

EU Lisbon Treaty

<http://www.consilium.europa.eu/showPage.aspx?id=1296&lang=en>

What does the PSO regulation regulate?

The objective of PSO regulation is “to guarantee safe, efficient and high-quality passenger transport services through regulated competition, guaranteeing also transparency and performance of public passenger transport services, having regard to social, environmental and regional development factors”, as is stated in the justification for the new regulation.⁸ In order to do this, it requires corresponding measures on the part of the “competent authorities of the Member States”. The justification continues: “to ensure that such services are provided”. It is also indisputable that “many inland passenger transport services which are required in the general economic interest cannot be operated on a commercial basis”.⁹

For this reason, the responsible authorities have laid out “public service obligations”, i.e. “a requirement defined or determined by a competent authority in order to ensure public passenger transport services in the general interest that an operator, if it were considering its own commercial interests, would not assume or would not assume to the same extent or under the same conditions without reward”.¹⁰

As a result, the purpose of this new regulation is to regulate “the conditions under which competent authorities, when imposing or contracting for public service obligations, compensate public service operators for costs incurred **and/or** [emphasis added by the author] grant exclusive rights in return for the discharge of public service obligations.” (Art.1(1, p. 2)). This clarifies that, as a “lex specialis”, the PSO regulation aims to establishing uniform competition rules for public passenger transport services as services with a general economic interest. It consistently links public procurement law to benefit laws, since in all countries it has been shown that public passenger transport services cannot get along without the granting of financial adjustment payments by the public authorities.

⁸ See justification no. 4

⁹ See justification no. 5

¹⁰ Art. 2 (e)

The aims of the PSO regulation are:

- regulated competition for socio-economic commitments and
- uniform competition rules for public passenger transport services.

Socio-economic commitments can be: special fares for pupils, students and elderly people or for example night services on special routes etc.

Uniform competition rules are: transparent and in advance established parameters for the compensation payment by municipalities and governments.

But first you have to clarify the following:

It is necessary to begin with the determination of the features of the national public transport market and the “basic structures” for better understanding whether the PSO regulation applies in principle.

In order to determine the “basic structures” of the national/local public transport market, you have to answer the following questions:

- Does the company receive compensatory payments to meet its socio-economic obligations, e.g. special fares for pupils, students and older people or for night services on special routes etc.?
- Does the company have any exclusive rights and are these linked to an obligation to provide transport and/or a timetable? Is this regulated by national law, e.g. has the company a concession for local public transport for example on route no. 203 from Monday to Sunday with a given timetable?



If the answer to one of these two questions is yes, the PSO regulation must be applied, unless this is excluded under national law.

Three types of awards of public service contracts!

The PSO regulation describes three kinds of public awarding of contracts – and that is the difference to other EU procurement legislation: The competent authority can freely select among the three options when the corresponding conditions apply.

- Competitive awards (Art. 5(1))
- By means of a competitive tendering procedure (Art. 5(3))
- Direct awards (Art. 5(2))

By including the three public awarding procedures described here, the PSO regulation fulfils both

- the principle of the free organisation of services of general interest as presented in Article 16 of the EU Treaty and also
- the principle of subsidiarity as presented in Article 5 of the EU Treaty.

Two kinds of competitive awarding

The awarding procedure within a competitive process, the so-called **competitive award** (Art. 5(1)) is to be conducted according to the rules of Directives 2004/17/EC and 2004/18/EEC, “where such contracts do not take the form of service concessions contracts as defined in those Directives”. The term “service concession”¹¹ refers to a contract between a public authority and a company, which contains the details and possibly the obligation to provide a service but makes no provision for remuneration of the franchiser. The economic risk entailed by a service concession lies with the contractor.

The Member States can continue to use the procedural regulations in Directives 2004/17/EC and 2004/18/EEC as before, if they wish so, as long as the service contracts do not assume the form of service concessions.



Look at the example “The British experience”: the United Kingdom mostly uses tenders, which comply with competitive awards according to Art. 5(1).

In the opinion of the ETF, however, this can only apply in such cases in which - for example - the ticket fees flow to the responsible authority that then bears the financial risk and not to the operator of the passenger transport services.

When conducting a **competitive tendering process** in accordance with Art. 5(3) of PSO regulation, the procedure must fulfil the following four categories:

- It must be open for all operators;
- It must be fair;
- It must be transparent, and
- It must fulfil the principle of non-discrimination.

Once these principles are fulfilled “the procedure may involve negotiations between the competent authority and the applicant in accordance with these principles in order to determine how best to meet specific or complex requirements”.

Above all, the **competitive tendering process is an instrument that can be used to better link local and regional transport systems to municipal and regional political responsibility.**

Moreover, the **competitive tendering process** is an instrument that can be used for preserving and protecting existing municipal transport networks along with their socio-economic commitments and the competent authority and the internal operator are **free to define the conditions** under which the Local Public Transport is performed .



Look at the example “The British experience”. The so-called “Quality Contract” complies with the competitive tendering process in accordance with Art. 5(3)

11 Cf. Commission interpretative communication on concessions under Community law, EU Official Journal C 121, 29 April 2000

Three kinds of direct award

A **direct award** is defined as: “the award of a public service contract to a given public service operator without any prior competitive tendering procedure.” (Art. 2(h)). It may be granted in three different types:

- to an internal operator (Art. 5(2)),
- to a small or medium-sized enterprise (Art. 5(4)) or
- to a railway operator (Art. 5(6)).



Direct award is a new kind of awarding and can only be used if the awarding process complies with the PSO regulation!

The competent local authority can make a **direct award to an internal operator** (Art. 5(2)). In that case the competent local authority operates its own bus, tram and underground services by itself or grants a direct award to its own internal operator (Art. subset j).

In this case, it must be ensured that the local authority maintains control over the internal operator “as over its own agency”. In addition, the internal operator is subject to strict regulations:

1. it may **only be active on the territory of the local authority** with the exception of arriving and departing lines,
2. it is prohibited from **taking part in the open competitive bidding process** for public transport services **outside of the territory of the local authority**, and
3. if transport services are subcontracted, it must **provide the bulk of transport services by itself**.

Under company law, a 100% ownership of the internal operator by the local authority or the regional authority is not mandatory, but there must be guarantees that the public authority can exert a “dominant influence” that “corresponds to the control over its own agencies”.

As a result, forms of public-private partnership (PPP) may be possible.

Direct awards can also be made to **small and medium-sized enterprises**, if the transport service to be awarded is small-scale and the contractual value does not surpass two million Euros, or the annual transport output does not surpass 600,000 km, or the company possesses fewer than twenty-three vehicles. In that case a **direct award to small and medium-sized companies** (Art. 5(4)) ensures that the (numerous) small and medium-sized enterprises in the individual national local transport markets will be protected, particularly those that have suffered in recent years under the market displacement arising from competitive bidding.

Finally, **direct awards for rail service** in urban, suburban and regional transport are possible under Art. 5(6) for a maximum term of up to ten years. If “necessary economic assets are made available” to a large degree, then this term can even be extended to up to fifteen years. In that case direct awards for rail service, the railway provider does not have to be in public hands or be an internal operator.

Despite strict regulations and/or precise preconditions, direct awards should not be regarded as a barrier but rather as an opportunity for socio-economic commitments to fulfill the special requirements of local public transport under the principle of subsidiarity of the responsible local authority.

Ensuring workers' protection and social and quality standards in a tendering process

The PSO regulation opens a new dimension for social and quality standards in a tendering process. The central connecting factor for the competent local authority to expand award standards, particularly in regard to workers' protection in the case of change of operator and social and quality standards are laid down in.

Article 4, paragraphs 5 and 6:

(Paragraph 5) Without prejudice to national and Community law, including collective agreements between social partners, **competent authorities may require** the selected public service operator to **grant staff** previously taken on to provide services **the rights** to which they would have been entitled if there had been a transfer **within the meaning of Directive 2001/23/EC**. **Where competent authorities require** public service operators to **comply with certain social standards**, tender documents and public service contracts shall list the staff concerned and give transparent details of their contractual rights and the conditions under which employees are deemed to be linked to the services.

(Paragraph 6) Where **competent authorities**, in accordance with national law, **require** public service operators to **comply with certain quality standards**, these standards shall be included in the tender documents and in the public service contracts.

What does it mean?

Social standards can be: to safeguard the jobs in the case of change of operator after competitive tendering or to guarantee existing collective agreement standards, training standards, health and safety at work, working time, etc.

Quality standards can be: special vehicle equipment like low-floor vehicles, frequency of services, highly synchronised timetables, uniform ticketing system etc.

It is essential to define social and quality standards for your Local Public Transport system (see the following example!). They have to be imposed by the local competent authorities on applicants for the contract. The more precisely they are defined the less it is possible for the competent authority to choose the 'cheapest' operator.



Please note:

- **Social and quality standards in a tendering process are not a must but only an option!**
- **The implementation of such an option requires lobbying the decision makers in the competent authority as well as the politicians!**

Social standards in a tendering publication: an example

Extract from contract specifications concerning:

General information Service contract Schwetzingen-Hockenheim bus network (D-Mannheim) – Document number: 32487-2011; publication date: 29/01/2011

The acceptance of tender comply with Art. 5 (3) Reg.(EC) no. 1370/2007

...

Contract specifications

...

8. Grant staff to comply with the meaning of Directive 2001/23/EC and to comply with social standards with the meaning of Reg.(EC) no. 1370/2007

...

For safeguarding workers rights of the previous operator ... the selected operator is hereby summoned to give the previous staff the rights to which they would have been entitled if there had been a transfer within the meaning of Directive 2001/23/EC. ...

The selected operator has to declare to undertake all involved staff ... and to comply unlimited with all social standards applying at the publication date of this general information as minimum standards. ... For the working (and social) conditions see the collective agreements in the annex 38a, b, c, e, g, h and i.

...

Transparence

Since 3/12/2009 every tender procedure and direct award **has to be published in the EU Official Journal (Art.7) one year before** the launch of the tender procedure and the invitation for offers or one year before the granting of a direct award. Competent authorities have to publish what they want to do:

- what kind of awarding procedure they have chosen,
- when the tendering procedure will start,
- the extent of the tender (one route or a bulk of routes or an entire local transport system)
- the required social and quality standards (see the example above), if any.



Trade unions can use this publication obligation for getting an overview on what is going on, what is planned in a specific municipality.

You can find all information about tenders at the homepage of TED - Tenders Electronic Daily. Everyone can register under <http://ted.europa.eu/TED/> and see all tender procedures for each country in the field: "Transport and related services".

Again, in the top right corner you can choose your language.

Picture 1 shows an example and a detail from 676 tender publications between 03/12/2007 and 09/03/2011 from Poland. If you click in the internet on the document number you will find more details and more data of the specific tender.

PICTURE 1: DETAIL FROM TED (ENGLISH VERSION)

Search scope: Archives
 Your selection:
 Country: PL
 from: Dec 3, 2007
 CPV code: 60112000 60172000 60210000 63712100
 to: Mar 9, 2011

676 items found, displaying 1 to 25. [First/Prev] 1, 2, 3, 4, 5, 6, 7, 8 [Next/Last]

Document number	Description	Country	Publication date	Deadline
<input type="checkbox"/> 75559-2011	PL-Rybnik: public road transport services	PL	08-03-2011	05-04-2011
<input type="checkbox"/> 75049-2011	PL-Belchatów: public transport services by railways	PL	08-03-2011	
<input type="checkbox"/> 74815-2011	PL-Poznań: public transport services by railways	PL	08-03-2011	
<input type="checkbox"/> 70074-2011	PL-Łódź: public road transport services	PL	03-03-2011	
<input type="checkbox"/> 69930-2011	PL-Wrocław: public transport services by railways	PL	03-03-2011	
<input type="checkbox"/> 69899-2011	PL-Sokółka: public road transport services	PL	03-03-2011	
<input type="checkbox"/> 67385-2011	PL-Świerże Górne: public transport services by railways	PL	02-03-2011	31-03-2011
<input type="checkbox"/> 60619-2011	PL-Katowice: public road transport services	PL	23-02-2011	31-03-2011
<input type="checkbox"/> 60569-2011	PL-Katowice: public road transport services	PL	23-02-2011	31-03-2011
<input type="checkbox"/> 59944-2011	PL-Tarnów: public road transport services	PL	23-02-2011	
<input type="checkbox"/> 59228-2011	PL-Świerże Górne: public transport services by railways	PL	22-02-2011	31-03-2011
<input type="checkbox"/> 58824-2011	PL-Łódź: public road transport services	PL	18-02-2011	04-03-2011

In TED you can also find the annual report of the competent authority regarding the application of the PSO regulation under its responsibility as required by Art.7 (1). But ...



Please note:

- **All information published in TED are information about decisions, which were already made! - So it is a look only into history and not into the future!**
- **For changing things you should have a plan (see meeting 3).**

The transition period

Last but not least: The transition period of the PSO regulation ends on 3/12/2019.

From 3/12/2019, all awarding of contracts for public transport by rail and road must fully comply with Art. 5 of the PSO regulation in accordance with Art. 8(2).

The transition period is also a “litmus test”, showing whether and how the previously different organisational forms of public passenger transport services in the Member States can be merged. The PSO regulation determines explicitly that the Member States “shall **take measures to gradually comply** with Article 5”.

And there is another element: The transition period is controlled by the European Commission “within six months after the first half of the transitional period” (Art. 8(2)). The Member States have to report to the European Commission about the state of implementation of the PSO regulation.

Consequently, latest in 2014 a national discussion about the state of implementation of the awarding procedures according to the PSO regulation will take place in each Member States. This includes the impact on the Local Public Transport market, the market players and the way how social and quality standards had been implemented or not.



At the end of the meeting you should give answers to following questions:

- **What are the key issues of the PSO regulation and did I understand these issues correctly?**
 - **Is the PSO regulation new to my country? What was new to me?**
 - **What are the challenges in the national urban transport sector in my country and does the PSO regulation give answers concerning privatisation and workers protection?**
 - **Which problems could not be answered?**
 - **Shall we have another meeting with a representative of the competent authority in order to answer all these questions and/or problems?**
 - **Which problems with the implementation of the PSO regulation do we - as a trade union - have?**
-

4. MEETING 2: A NATIONAL REPORT - KNOWING THE NATIONAL PUBLIC TRANSPORT STRUCTURE AND MARKET



Material

Look at the website of the national statistical office;
Look at the website of the national ministry for transport;
Look at the websites of the leading national operators for Local Public Transport in all cities with more than 50.000 inhabitants;
In case of multinational operators at the national level, have a look at their websites.

In case of multinational operators in the public transport market have a look as well at the Workers' Partizipation website <http://www.worker-participation.eu/European-Works-Councils>.

Directive 2009/38/EC on the establishment of a European Works Council or a procedure in Community-scale undertakings and Community-scale groups of undertakings for the purposes of informing and consulting employees (Recast).

All other material you will find, also comparing national procedures e.g. for Bulgaria and Romania, at the Workers' Partizipation website.



Generally trade unions have a high knowledge of their sector in which they are active, in which they organise and in which they negotiate collective agreements. This is a postulate and the outcome of successful trade union work. However, we learnt that especially in the local public transport sector it occurs that unions are company based, small and diversified and that the knowledge of the national public transport market is concentrated on the bigger operators in the capital city and in bigger cities of the country. In order to improve the knowledge about the national local public transport market it would be good to organise a meeting, in which colleagues from different companies and different cities take part. (In this case the duration depends on the range of subjects and data you will bring together.)

The following guideline gives some suggestions for information to be gathered for a national report:

Guideline for drafting a national report on the public transport structure and market

Local public transport market

- main players: municipal / private owned operators, multinational operators;
- number of vehicles;
- number of employees;
- structure of the market players: big and/or small and medium sized; multinational operators
- number of passengers: increasing/declining
- fares: expensive/cheap
- role of privatisation
- ...
- main problems are ...

Financing of the local public transport

- Where does the money come from: passengers, compensation by the state and/or municipalities and/or regions?
- proportion of the financial compensation to the market volume;
- Is public urban transport supported by national/regional/local programmes and accompanied by political directives?
- ...
- main problems are ...

PSO regulation

- process of implementation of the Regulation (EC) no. 1370/2007: completely complied?
- additional national laws for awarding?
- ...
- main problems are ...

Trade union structure

- structure of the trade union representation; proportion of trade union members organized?
- collective agreements on a national and/or enterprise level; what do they regulate?
- workers' protection and social standards: what are the problems?
- ...
- main problems are ...

An example for such a National report is given on the following pages, the structure, subjects and data of the national report from Croatia¹². Maybe other national reports have a different focus on some other points.

CHARACTERISTIC FEATURES FOR LOCAL PUBLIC TRANSPORT	NATIONAL REPORT CROATIA
general characteristics	The public transport system in Croatia includes three major subsystems - tram, bus and rail - of which tramway subsystem accounts for 64%, the bus 32% and rail subsystem with 14% in the total number of trips generated by means of public transport.
number of operators	44 (source: Eurostat)
workforce	2.391 (source: Eurostat)
turnover	47,7 Mio. EURO (source: Eurostat)
main operators	<p>Urban public transport is concentrated in the cities:</p> <ul style="list-style-type: none"> • Zagreb (bus & tram), • Rijeka, • Split, • Dubrovnik, • Pula, • Osijek (bus & tram) and • Zadar. <p>In these cities the urban transport operators are municipally owned.</p>

¹² Thanks to Katarina Mindum, Railway Workers' Trade Union of Croatia for the help.

CHARACTERISTIC FEATURES FOR LOCAL PUBLIC TRANSPORT	NATIONAL REPORT CROATIA
	<p>Outside these named cities, the public road transport is organised by about 15 private owned regional operators. Some of them went into bankruptcy or teeter on the brink of collapse.</p>
<p>multinational operators</p>	<p>One multinational operator (Panturist in Osijek with 338 employees), a subsidiary of the French Veolia Group; operates a regional network around Osijek and cooperates in the ticketing system with the municipal operator. It is the only integrated ticketing system in Croatia.</p>
<p>number of passengers</p>	<p>Urban transport: Tram: 168.057.000 (2000) 192.940.000 (2009) Bus: 221.246.000 (2000) 191.312.000 (2009)</p> <p>About 65% of urban public transport passengers' appearance in Croatia comes from the Zagreb operator ZET.</p> <p>Regional transport: The number of passengers have fallen dramatically from 148.408.000 (1990) to 58.493.00 (2009)</p> <p>source: Statistical Yearbook 2010 of the Republic of Croatia, internet version SLJH2010.pdf</p>
<p>number of vehicles</p>	<p>Urban transport: Tram: 443 (2000) 415 (2009) Bus: 1.033 (2000) 1.270 (2009)</p> <p>Regional transport: no official data available</p> <p>The Veolia subsidiary Panturist in Osijek has 133 buses.</p>
<p>concessions</p>	<p>The concessions for busses are assigned for 5 years, but only about 45 to 55% of them are really running. This is due to the fact, that operators apply for concessions with a feature of e.g. every 10 - 15 minutes between 5 to 7 p.m. but in reality runs the service only every 30 minutes.</p>
<p>cost recovery</p>	<p>Fares cover only about 20% (estimated) of total costs</p>

CHARACTERISTIC FEATURES FOR LOCAL PUBLIC TRANSPORT	NATIONAL REPORT CROATIA
<p>Compensation for public service obligations</p>	<p>Compensation for pupils and students come from the government for all operators.</p> <p>No other compensation is paid, e.g. for fuel, for special vehicles or quality standards in the services etc.</p> <p>The loss of the municipal owned operators is covered by the municipal holding (in Zagreb e.g. with the return from other municipal owned enterprises like gasworks, water supply, waste disposal, housing construction or a goods terminal)</p>
<p>special characteristics</p>	<ul style="list-style-type: none"> • There is no transport association in Croatia, every transport system or each operator has his own ticket system and own price system, even the Zagreb operator ZET has separate ticket systems for his bus- and for his tram-system • Fares are high, especially for regional transport • In some regions there are only passenger transport services for pupils; some regions become a ,white spot' for local public transport; • In the Zagreb region an urban-suburban railway systems was installed. In the last two years the number of passengers in urban rail doubled. • Most companies in regional transport have financial difficulties; • There exists a rivalry of so called "black lines" with busses coming 5 to 10 minutes before the schedule a service; • Poor or no control on quality aspects; • Relatively low wages, lower than the average wage level by at least 20%; • Poor working conditions, especially in terms of working time; • PSO regulation: Social partners are not involved in the process of harmonization and monitoring of laws and by laws; national laws are in place but not implemented; • 14 local trade unions • Extremely strong internal proliferation of trade unions; the establishment of quasi-unions: associations which are neither registered as a trade union nor perform union duties; trade unions without membership;

The national reports shall enhance trade union and workers representatives' capacities to analyse better their own public transport market. They help to carry out an own analysis on strengths, weaknesses, opportunities and threats (SWOT-analysis, see meeting 3). That can help to identify different operational fields for conducting an effective dialogue with trade union members.

The national reports should be completed by a TED-analysis (see meeting 1) of the national awarding procedures.

In case of multinational companies operating in your country you should also collect knowledge about European Works Councils in transnational companies. Is a European Works Council established for the respective multinational operator? European Works Councils exist for example in Véolia, Transdev, Arriva, Deutsche Bahn (attention mergers and acquisitions change the landscape of EWCs). Does my country have a seat in this EWC? If yes, is this seat empty or was a workers' representative nominated/elected? Who is the trade union representative in the EWC?

It could be that - after 3 hours - the national report will not be finished, because there are quite a lot details missing. In this case you could assign different duties to other members of the group and complete the national report in another additional meeting.



At the end of the meeting you should give answers to some of the following questions:

- **Did I understand the structure of the urban public transport sector in my country correctly?**
 - **What are the three most important key characteristics of the local public transport system?**
 - **Do I know something about the level of implementation of the PSO regulation? What are the problems?**
 - **Are there some other characteristics, which are also relevant?**
 - **Are the trade unions involved in the awarding process, in which way?**
-

5. MEETING 3: ROAD MAP FOR SOCIAL CONVOY



Material

All the material from meeting 1 and 2 and the results of meeting 1 and 2.

The meeting 3 is different from the other two meetings before. The first meeting had spotlighted the **information about the new PSO regulation** and its challenges and chances for trade unions. The second meeting had spotlighted the **information about your national public transport market**, its structure and kind of organisation, the players in that field and the way awarding procedures for public transport contracts are working. Most of the participants of both meetings will now have more information and a broader understanding of the problems of the local public transport market.

Pro-active approach and new players

The previous meetings gave an idea on the future developments in your municipality or region, for example whether your local public transport company is going to face competitive tendering or not. And you have learnt that there are new players in the market: Multinational companies, which are powerful competitors for your municipal public transport operators. You also learnt that it is your competent local authority and your local politicians, who decide on the kind of awarding procedure: direct award of a public service contract to your municipally owned operator or competitive tendering.

In this situation trade unions have to change perspective and strategy. “Negotiations” have to take place with politicians and authorities prior to the usual collective agreement negotiations on wages and working conditions at company level with employers and their representatives.

Precondition

With the obligation of awarding public service contracts to the public transport operator by the competent authority, trade unions have to adapt a different strategy: A key moment is **the principle decision on the kind of awarding procedure and/or the content of the tender specifications by the competent authority**. And there are other negotiation partners: representatives of the local competent authority and politicians.

This **pro-active approach** is a consequence of the publication rules on the one hand and the role of a new player in the awarding process on the other hand: the local competent authority (see meeting 1). Knowing this, **meeting 3 will be first of all a strategy meeting on trade union policy within the context of the awarding procedure**. If you start with your campaign after having seen the publication of the awarding procedure for your municipality in the TED you have lost already a key moment for influencing future terms and conditions of public transport workers in your community!

Knowing this precondition, which is the consequence of the PSO regulation, you can start with meeting 3.

Central point for meeting 3 is the following question:

How do we achieve a trade union strategy in order to ensure workers' protection and to improve social and quality standards within the awarding procedure for public transport service contracts?

In order to develop a trade union strategy other important questions on the following three subjects have to be discussed. They will give a structure to the meeting:

- What are our strengths, weaknesses, threats and opportunities?
- What are our arguments against a change of operator? What arguments do we have in favour of a direct award of a public service contract to the local public transport operator? And in the case of competitive tendering: How can we argue in favour of imposing social standards on any competing company within the procedure?
- What road map is needed?



Educational remarks:

You can organise this meeting in form of a plenum or with different working groups or a mix of it. It depends on the number of participants. If you are a group of more than 20 participants you can divide the plenum in 2 or 3 groups. All groups work with the same questions!

All groups should discuss all steps one after the other: Step 1, step 2, step 3 and step 4.

Step 1: The SWOT - Analysis

SWOT stands for Strengths, Weaknesses, Opportunities and Threats and in our case this method serves only one purpose: to put the outcome of the preceding discussions in meeting 1 and 2 into a certain structure.

As material for this sequence can be used:

- Answers to the questions in meeting 1 like:
 - **What are the key issues of the PSO regulation?**
 - **Does the PSO regulation give answers concerning privatisation and workers' protection?**
 - **What are our problems as a trade union regarding the implementation of the PSO regulation?**
 - **Do we need a meeting with a representative of the competent authority in order to clarify these questions?**
- The national report on the public transport structure and market and the TED-analysis (see meeting 2).

and also

- Answers to the questions in meeting 2 such as:
 - **What are the three most important key characteristics of the local public transport system in your country?**
 - **Looking at the local situation, what are three most important key characteristics?**
 - **Are the trade unions involved in the awarding process, in which way?**

With this material and the experience of the two meetings you can allocate all the characteristics, chances, problems, ideas, etc. to internal and external factors as proposed below.

Internal factors:

- Strengths: advantageous characteristics of the trade union like high union density; road map for direct award; a collective agreement to be imposed as compulsory social standard in the case of competitive tendering, etc.
- Weaknesses: characteristics that place the trade union at a disadvantage relative to others like poor union density; poor knowledge, etc.

External factors:

- Opportunities: external factors that might support the trade unions like political support, local public transport development scheme, etc.
- Threats: external elements that could cause trouble for trade unions like cutting compensation, local public transport is not at the agenda of the competent authority, no political support, etc.

PICTURE 2: EXAMPLE FOR A SWOT-ANALYSIS ON LOCAL PUBLIC TRANSPORT

Helpful	Harmful
<ul style="list-style-type: none"> • high union density • seminars on PSO regulation • Trade union campaign for local public transport • road map for direct ward • collective agreement for social standards in case of tendering • ... <p style="text-align: center; font-size: 48px; opacity: 0.5;">S</p>	<ul style="list-style-type: none"> • poor union density • no support by colleagues • poor knowledge about PSO regulation • ... <p style="text-align: center; font-size: 48px; opacity: 0.5;">W</p>
<ul style="list-style-type: none"> • local public transport is at the agenda of the competent authority, • financing is clear and secure • increasing number of passengers • political support • ... <p style="text-align: center; font-size: 48px; opacity: 0.5;">O</p>	<ul style="list-style-type: none"> • cutting subsidies, • local public transport is not at the agenda of the competent authority, • no political support • no uniform price system • municipal operator is going to be privatised • ... <p style="text-align: center; font-size: 48px; opacity: 0.5;">T</p>



Please note:

In the SWOT-chart there is not enough space for listing all the details. E.g. if you have as an outcome the helpful internal factor “collective agreement for social standards in case of tendering” you should have all the details of the collective agreement or at least the key points of that agreement!



Educational remarks:

Every working group presents its results in a plenum meeting. You can put the results of the working groups in a chart like Picture 2. If you wish, you can make a priority list of all items.

Step 2: The benefits of applying the PSO-regulation in principle

As a preparation for the discussions with representatives of the local competent authority the next step in meeting 3 will be to learn how to argue in favour of the PSO-regulation.

So make a list with positive arguments and with amenities for the local competent authority in case of **direct awards of public service contracts** and in the case of a **competitive tendering procedure**. This list may look like follows:

The competent authority can

- award public transport service contracts to their own (municipal) company;
- freely decide on choosing a direct award procedure;
- directly award passenger transport service contracts to small and medium-sized enterprises;
- directly award public service contracts to rail transport for urban, suburban and regional transport;
- select a competitive tendering procedure that matches the special situation of a local transport system;
- determine workers' protection in the case of change of operator as well as social and quality standards.

In exchange, the competent authority

- receives transparent and uniform rules for the depiction of financial flows in regard to compensation and adjustment payments for passenger transport services;
- can save transaction and administrative costs when using the regulation's possibilities of direct awards;
- can directly control their local public transport system and effectively exert local political will.

For material see at the suggestions for meeting 1.

Step 3: Timetable and actors



Educational remark:

For this step you can divide the plenum in 2 groups: one dealing with developing a first draft of a timetable and the other group prepares a list of all relevant actors with who to relate in the question of awarding procedures for local public transport.

Timetable

Before developing a timetable, check important dates such as

- date, when the national report of your country has to be sent to the European Commission for evaluating the progress of the implementation the PSO regulation in your country (National Progress Report);
- expiry date(s) of actual concession(s) / contract(s) of the local public transport operator(s);
- date, when the local competent authority will decide on the kind of awarding procedure;

- date, when a draft of the trade union concept has to be finished;
- date, when discussing the trade union concept with the local competent authority / possibly local operator;
- date, when ...

Actors

Make a list with relevant local and regional bodies and persons, involved in the decisions and organisation of your local public transport system, e.g.

- trade union(s)
- local operator(s)
- local competent authority
- passenger association(s)
- environmental groups
- political parties
- other supporters like “Campaign for Better Transport” (<http://www.bettertransport.org.uk>) in the U.K. or “Savez za Željeznicu (Pro-Rail Alliance Croatia)” (<http://www.szz.hr>) in Croatia ...

Step 1 to 3 define the first part of meeting 3. The aim of this first part is:

- to brush up all the information, which you have collected during the previous meetings and
- to bring them to focal points.



As a result of this first part you will have:

- **the elements of the SWOT-Analysis;**
- **arguments for the discussion with representatives of the local competent authority**
- **a list of relevant persons to be contacted in the following process, which you will organise and**
- **a draft for a timetable**

By now you developed all relevant parts for the establishment of a trade union strategy. In section 4 we will combine all the results of the previous meetings in order to draw a plan, a road map.

Step 4: Road map for trade union action

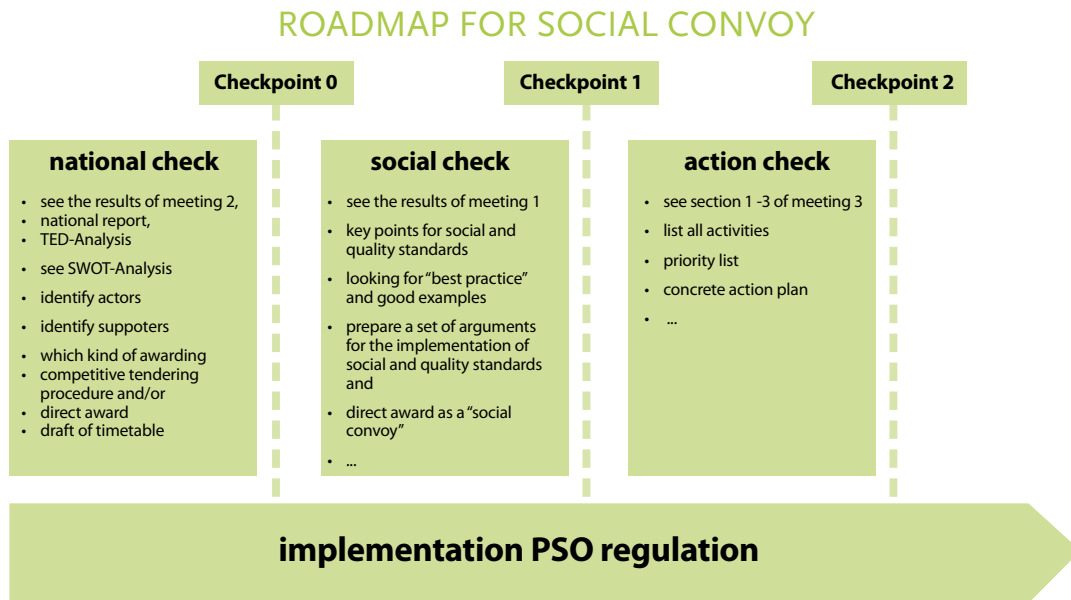


Educational remarks:

For this section we suggest to form working groups with 5 - 7 participants. Their only task is the development of a road map. This road map shall have three checkpoints: a national, a social and an action checkpoint as you can see it in the picture below.

The working groups should work not more than 45 - 60 minutes, depending on the progress of the meetings. But after the working groups you should have a plenary meeting of about 60 minutes, depending on the number of groups or participants. In the plenary you should discuss the different proposals for a road map. The outcome of that discussion should be a common proposal for a road map for social convoy.

PICTURE 3: ROADMAP FOR SOCIAL CONVOY



The single purpose of this "ROAD MAP" is to stimulate the group work. It is just a proposal like the following checklist for trade union representatives. You know the situation in your country or your community best and the trade union strategy has to fit the individual local / national situation.

A checklist for trade union representatives

In support of the recommended action plan for fair and socially responsible competition in / organisation of local public transport, the local and regional trade union representatives in the individual Member States can proceed according to the following checklist scheme.

But remember that this checklist will differ from country to country because every country has its own national way of dealing with industrial relations. So keep your own national industrial code and national legislation on industrial relations in mind.

The following checklist is designed to help developing an extended union action process for the assertion and implementation of public transport workers' interests:

I. Preparatory work

- Keep in mind: national industrial relation codes and national legislation on industrial relations;
- List of all national legal regulations supplementing the PSO regulation;
- Pay attention to special exceptions, e.g. the fact that currently only Directives 2004/17/EC and 2004/18/EC are being applied in the area of valid public procurement law for public passenger transport services. In this case, it is essential to examine what restrictions are in place to block the application of these general procurement regulations.

- Prepare an overview of the expiry dates for existing service contracts and/or concessions in passenger transport services. Many of these dates are accessible through the Internet.
- Identification of competent local or regional authorities;
- Identification of contact partners for the relevant client bodies;
- Decision on whether an action plan should be set up;
- Determination on how the work will be divided amongst the volunteer and full-time trade union representatives;
- Setting up a preliminary schedule;
- ...

II. Lead time for the action plan

The consequence of an often extended lead time in awarding procedures is, that also the trade union action plan requires a long lead time. At a minimum, it should amount to:

- Two years in the case of a possible direct award to an internal operator;
- One and a half years in the case of possible further direct award types;
- Two years in the case of a possible competitive awarding procedure in accordance with Art. 5(3)
- Six months in the case of a possible application of previously used awarding procedure on a competitive basis in accordance with Art. 5(1)

Please note: The lead times listed may vary considerably from one country to another.

III. Process-related activities regarding the action plan

- Evaluate timetables/schedule;
- Determine which type of awarding should be preferred and pursued with regard to the action plan:
 - **Direct award to an internal operator**
 - **Direct award to small or medium-sized operators**
 - **Direct award to railway providers**
 - **Competitive award**
 - **Competitive award procedure**
- Identify actors: representatives of competent local or regional authorities, local and regional politicians who codetermine and decide on local transport policy and its organization in political bodies;
- Decide who can support the action: politicians, citizens' groups, passenger and consumer associations, ...
- Examine the number of market participants and, if necessary, their regional distribution
- Determine if necessary who the 5-8 most important market participants are
- Prepare an overview of national regulations that apply to existing industrial safety rights
- Include trade union members as in the described meetings
- Collect and record arguments for the application of PSO regulation
- Who can help (trade unions, union workers' representatives, associations, citizen groups, politicians, experts...)?
- Assign tasks
- Identify responsible persons and possible cooperation partners
- Develop a revised schedule
- Observe behaviour of action's participants
- Record minutes
- Discuss with representatives from political parties
- Discuss with local and regional administrations

- Discuss with other trade unions
- Discuss with previous operator
- Discuss with passenger- and consumer groups and other local action groups
- Convene trade union assemblies
- Consider public relations work (information stands, flyers, public discussions...)
- Record intermediate steps and results
- Prepare national campaigns within the trade unions as needed
- ...

IV. Action plan: Fair and socially responsible competition in / organisation of local transport

- Prepare as necessary a set of arguments showing why a direct award is preferable to a public competition
- List examples of direct awards
- Prepare as necessary a set of considerations as to why a remunicipalisation might be contemplated
- List examples of re-municipalisation (back to municipal/regional ownership)
- Consider the significance of socio-economic obligations in view of the growing necessity of promoting sustainable mobility in congested areas
- Record benchmarks for quality standards regarding service quality, e.g. quality standards for vehicles and lines
- Prove how quality standards concern the quality and qualifications of the relevant employees in the provision of passenger transport services, possibly using concrete examples of quality standards for employees (driving, maintenance, service and general administration) - Suggestion: Training and qualification schemes
- List examples of quality standards
- Benchmarks for and/or definition of social standards to safeguard workers, particularly by ensuring the continued validity of existing collective contracts at the place of service, safeguarding jobs, safeguarding employment contracts within the framework of operational transition when operators are changed, consideration of competing collective agreements and suggestions for a procedure, safeguarding and/or obligation to apply collective contracts (wage agreements), safeguarding of rights of co-determination, etc. ...
- List examples of social standards from countries
- Assemble arguments opposing the further application of previous awards procedures
- Make a comparison and/or prepare an overview showing the advantages of PSO regulation vis-à-vis previous award practices in regard to socio-economic transport services
- Concrete action plan, including public relations work
- Include action plan in collective bargaining negotiations/campaign
- ...

Coming back to **Edita** and **Jonas** when thinking about a local trade union meeting. In the beginning there was a short report from a seminar about the impacts of the PSO regulation. At the end they made a proposal for 3 meetings on that subject.

After reading this tutorial most of you will say: too much subject matter for three local trade union meetings. You are right, all the information, problems and questions about the awarding mode in Local Public Transport are too much for just three trade union meetings, each lasting about three hours. The development of a trade union strategy cannot be completed in three hours only. Consequently this tutorial is more like a 'bunch of flowers' and you may choose which flower you like or in other words: the organisational development of trade unions and their outcome, a trade union strategy, only can work if "The journey is the reward".

I think that **Edita** and **Jonas** planned their three meetings in this spirit.

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ANNEXES

ANNEXES

1. National reports on Local Public Transport

The written national reports from participants/or participating trade unions of the SCRIPT project on Local Public Transport from Britain, Bulgaria, Croatia, Czech Republic, France, Hungary, Latvia, Lithuania, Malta, Romania and Slovenia are documented on the following pages.

Local Public Transport in Britain and Northern Ireland

By Martin Mayer, UNITE The Union

Structure of the national urban public transport system

Over 95% of local bus services are in private hands. Five UK multinationals dominate the local bus market; FirstGroup, Stagecoach, Arriva (in process of being absorbed by new Transdev/Veolia merger) Go Ahead and National Express, accounting for 70% of the local bus market between them. Some municipally owned companies survived the privatisation drive in the 1980's, the biggest of which is Lothian Regional Transport, Edinburgh's urban bus network. Belfast's buses and most of Northern Ireland also remains in public hands.

Bus services outside London were deregulated in 1986 (Transport Act 1985). This means bus operators are free to register and operate bus services on routes of their own choosing, with their own fares and timetables. The Local Councils have almost no say in what is run. Bus companies are free to compete with each other over the same stretch of route and charge different fares. Bus operators must register their services with the Traffic Commissioner, a regional Government officer, who does have the power to invoke penalties if the bus operator fails to run their registered services or if their buses are found to be unsafe. Any changes to bus services must be registered with the Traffic Commissioner with 8 weeks notice.

If no bus operator is prepared to run a bus service in an area or at a time when the Local Council believes there should be a service, it may offer out a contract under competitive tendering. In practice many Sunday and evening services, as well as lightly used routes in their entirety, are funded in this way by Local Councils. In country areas up to 100% of the network may be funded by competitive tendering.

Privatisation and deregulation is widely seen as a disaster for local bus services. Fares have risen faster than inflation, passenger numbers have slumped, and frequencies have been cut on all but the most busy routes (which can be very profitable between 0700hrs and 1800hrs Monday to Saturday). Outside these times services have been cut back dramatically and Local Councils have had insufficient funds to support them all through competitive tendering.

London's bus service were privatised but were not deregulated. Transport for London (TfL) defines the route network, timetables and fares and then contracts out each route or combination of routes by competitive tendering to the various London bus operators. Contracts are for 3 or 5 years. As London's bus operators depend entirely on winning TfL contracts, it can be disastrous if routes are lost. Bus drivers may have to be transferred up to 30 miles away to the new operator's depot or lose their jobs. However this contract tendering system is widely seen to be a better model than the deregulation model that applies to the rest of the country.

Key characteristics:

- Private greed before public need
- High fares, low demand
- Poor Wages and conditions

Trade union representation in urban public transport & collective agreements

The bus industry is heavily unionised in Britain and Northern Ireland, typically with up to 99% union density among bus drivers, but rather less in the smaller bus companies and more remote bus depots. Unionisation of depot staff (cleaners, engineers, fitters) is usually less strong than among drivers. UNITE is by far the biggest trade union in bus industry with 90,000 members in local passenger transport. Other unions do have a small presence e.g. RMT, GMB and UNISON.

Under British law, employers must recognise the trade union if membership is over 50%. Collective bargaining in Britain is entirely between the employer and the trade union with no Government involvement. In the bus industry collective bargaining on wages and conditions is universally local with no national collective bargaining at all on wages and conditions. This means wage rates and terms and conditions vary greatly across the country and even between bus operators in the same town or city, even when operating on the same stretch of route. The best paid bus drivers are in London (typical hourly rate is £13-£15 per hour). Urban rates of pay in the north of England range from £7-£10 per hour. Some small private companies which are non-unionised may pay little more than the minimum wage (NMW currently stands at £5.85p per hour). Some limited bargaining takes place nationally on a company basis e.g. FirstGroup meets with UNITE delegates to discuss and agree nationally universal issues such as uniforms, pensions, alcohol and drugs policies etc.

Negotiating with private employers in a highly competitive market has seen wage rates depressed since deregulation but UNITE has made strong gains over the last 10-15 years. The current economic crisis and recently announced major cuts in public funding for the bus industry are likely to depress wage rates in the coming period.

Most collective bargaining agreements are renegotiable after one year but employers have successfully secured longer term agreements by offering guaranteed wage increases in future years. A number of agreements now last for 2 or even 3 years.

The union negotiating team is normally made of elected union representatives from the workplace with the Union's full-time paid officer acting as lead negotiator. Usually the trade union submits to the Company a "wage claim". When an "offer" from the Company is finalised, the union representatives will decide by majority vote on whether to recommend acceptance or rejection of the offer. It is then put to a ballot of the workplace. Only when the offer has been accepted by the membership of the union are the terms of the offer put in place by the employer.

Union militancy is alive and well in the UK bus industry, in spite of huge difficulties legally with Britain's anti-union laws. Ballots for strike action are commonplace and often are supported by large majorities of the union's membership. This is often enough to make the employer improve the offer. When strikes do take place, they are usually of short duration e.g. series of one day strikes

Key bargaining issues currently are:

- improvements to hourly rates of pay
- elimination of lower "starter rates", often on worse conditions e.g. sick pay etc.

- improvements to sick pay and additional paid holidays
- reducing maximum spells of duty and maximum duty lengths
- additional pay for overtime and unsocial hours

Trade unions are free to strike over any dispute with the employer as long as negotiations have been exhausted first and a full postal ballot of the membership has taken place. Sometimes strikes have taken place over unfair dismissals, victimisation of trade union reps or the breaking of agreements. Unofficial strikes (where the members walk out without a ballot) are very rare in the bus industry.

Key characteristics:

- Strong unions with high density and an ability to stage effective strike action
- Local collective bargaining but little or no legal protection for pay and condition
- Powerful multinationals seeking to minimise labour costs

Legal framework: implementation of the PSO regulation

The 2009 Local Transport Act gives Local Councils the power to introduce a “Quality Contract” under the controlled competition model. This power is optional and has not been introduced anywhere as yet. The election in May 2010 of a right wing ConDem Government may make it more difficult for Councils to go down this road.

The “Quality Contract” system allows the Council to regain control over the bus network and set the routes and timetables. It will then be possible to contract the entire network (or break up the network into smaller area contracts) to a single bus operator who will have exclusive rights to operate over the contracted routes. The contracts should be awarded using quality as the criteria rather than on a simple lowest cost basis as in competitive tendering, hence the term “Quality Contract”.

The 2009 Local Transport Act provides for a considerable amount of protection for employees who are transferred from their existing employer to the new employer who wins the Quality Contract. In the first instance all employees currently employed on bus services in the area covered by a Quality Contract must be identified and ensured a transfer of employment to the new operator. Transferred employees are guaranteed pay and conditions no worse than which they previously enjoyed. Transferred employees must be offered pension rights no worse than they previously enjoyed.

UNITE and the other trade unions representing workers in the bus industry campaigned long and hard for Quality Contracts to be introduced and for workers to be duly protected. Unfortunately the outgoing Labour Government failed to implement the necessary legislation until the very end of its term of office. The process for implementing a Quality Contract is expected to take two to three years from commencement. All of the major bus operators are vigorously opposed to Quality Contracts.

Currently all competitive tendering in Britain and Northern Ireland comes under the Procurement Directives 2004/17/EC and 2004/18/EEC . If Quality Contracts are implemented there is an option to implement the provisions of PSO Regulation 1370/2007

Key characteristics:

- Legislation for controlled competition model is in place but not yet in operation anywhere
- Quality Contracts would fully protect employees’ jobs, terms and conditions
- Bus operators object to the change and warn of more bureaucracy and higher costs

Local Public Transport in Bulgaria

Structure and main issues of the urban public transport system

The urban public transport services are provided by the bus, trolleybus, tram and metro companies in the major cities and most of them are municipally owned. Partially railway transport is included for the capital of Sofia. Since 1998 the metropolitan is operating in the capital of Bulgaria and currently new lines are under construction. Co-funding from the European funds for the regional development is provided for the reason.

The Centre of Urban Mobility is managing since 2009 the route network, timetables and fares for the urban transport. The city of Sofia is the owner of two public transport companies for tram and trolley traffic, Electrotransport EAD, and for bus transport and central administration and other services, Autotransport EAD. 31 bus lines are operated by private companies as a subcontractor.

The bus and trolleybus transport services prevails in the rest of the country. The bus services outside the main cities were deregulated and the companies were mainly privatized. The private bus companies are free to register and to decide on which routes to operate with their own fares and timetables.

Key characteristics:

- lack of space to build infrastructure (Sofia)
- old vehicles

Structure of the national trade union representation in urban public transport and collective agreements

FTTUB (a member of CITUB) is representing 100 trade union organizations in all transport sectors, such as ports, maritime, inland waterways, services at the airports, civil aviation, rail transport and infrastructure, metropolitan, urban transport, rail and road construction and logistics, specialized transport hospitals, border customs control as well. FTTUB actively takes part in the sub-councils for tripartite social dialogue on a level of Bulgarian Executive Agencies of automobile, railway, maritime, port and civil aviation administrations.

Collective agreement for the whole branch (all sectors) is signed. Additional agreements are signed by each organization.

There is a strong TUs representation (80%) in the urban transport. The main reason is that they are owned by the municipalities. FTTUB is not representing the private sectors, but is attempting to influence it through the Sectoral Collective Agreement for transport. The main employers' transport organizations have signed it and the two TUs Confederations in Bulgaria. The Collective agreement is spread for the total of 80% (joined workers).

The deregulation of some of the urban sectors is causing unemployment. Private companies are providing services for some of the bus lines. FTTUB is insisting that the employers must produce a plan for optimizing, concerning the personnel before laying off the workers. Problems for the rest of the country differ – the terms of payment and the entire collective agreements are neglected.

The drivers suffer from the heavy urban traffic, the pressure to follow the timetable and the lack of good working conditions.

Local Public Transport in Czech Republic

Structure and main issues of the urban public transport system

Urban public transport is an exclusive domain of local authorities who are also fully responsible for its financing. Except for a few municipalities, most of the companies providing urban public transport are still in public hands. Generally speaking, cities and larger towns have their own transport companies. Transport in smaller towns is sometimes provided by regional providers who have to go through tendering process. Cities and larger towns sometimes create companies which co-ordinate timetables, fares etc. (such as in Germany *Verkehrsverbund*).

Financing of the public transport system

The public transport system in the Czech Republic is financed as follows:

- rail transport – intercity: by state
- rail transport – regional and local: by regions
- bus transport – regional: by regions
- bus transport – urban/local: by municipalities

Legal framework for public transport and the implementation of the PSO regulation

The PSO regulation has been implemented by means of Act No. 194/2010 Coll. of 20 May 2010 (*zákon o veřejných službách v přepravě cestujících a o změně dalších zákonů*). As its name suggests, this act creates framework for the state, regions and municipalities for ordering passenger transport services (both road and rail) in public interest.

Structure of the national trade union representation in urban public transport and collective agreements

Almost all transport companies providing urban public transport are unionized – however, the level of organisation varies considerably from company to company. Most of the local unions are part either of *Odborový svaz dopravy (OSD)* or *Odborový svaz pracovníků dopravy, silničního hospodářství a autoopravárenství Čech a Moravy (DOSIA)*. OSD is a member of the national confederation ČMKOS, while DOSIA is not. Collective agreements are signed mostly on company level. In a few cases, “yellow unions” supported by the employers have been created in order to obstruct the collective bargaining process. There is also a branch collective agreement for urban transport signed by DOSIA, but its provisions are rather weak.

Local Public Transport in Croatia

Structure and main issues of the urban public transport system

The public transport system in Croatia includes three major subsystems – tram, bus and rail – of which tramway subsystem accounts for 64%, the bus 32% and rail subsystem with 14% in the total number of trips generated by means of public transport. The number of passengers transported by tram is almost twice as high in relation to bus transport. But the difference lies in the fact that buses are not intended to enter in the very City Centre, but transported tram passengers to the destination, where they continue their way towards the desired destination.

Public transport in Zagreb makes a network of urban - suburban railway, tram and bus lines. The annual passenger traffic transported a total of 500 million passengers, of which about 50% in public transport. In 1992 the Railway was integrated into the system of public urban and suburban transport of Zagreb. Urban-suburban railway transport is used on working days on average about 70,000 passengers daily in 2005. In 2006 there has been transported 27.325 million passengers. In the last two years the number of passengers in urban rail is doubled. The majority of public transport in Zagreb performs Zagreb Electric Tram (ZET), which is the operator of tram and bus traffic. ZET is a subsidiary of the town company, Zagreb Holding Ltd.

Public transport in Split makes a network of urban - suburban railway and bus lines,

public transport in Osijek makes a network of tram and bus lines.

The public transport in Zagreb, Split and Osijek is provided by municipal enterprises. In all other cities there are private bus companies and the local governments are organizing the public transportation through the issuance of concessions.

Key characteristics:

- High fares, no care on public need
- Poor organized transport services in regional / local levels
- Poor transport services and poor working conditions

Financing of the public transport system

Ministry and rail passenger operator, Railways Passenger Transport Ltd, entered into a contract on subsidizing rail passenger traffic on the yearly basis as this are services of general economic interest.

Key characteristics:

- The decentralization of duties does not follow the decentralization of the budget.

Legal framework for public transport and the implementation of the PSO regulation

In accordance with the progress in EU accession process and taking an increasing number of provisions of the *acquis* into national legislation, the PSO contracts will be detailed in line with European practice. An important part of the responsibility in this process relates to the involvement of all levels of local government regarding the regulation and organization of public transport on its territory, which implies certain decentralization.

With regard to social conditions, Croatia started with the harmonization of legislation for road transport, but the operational application of the duration of driving and rest are lagging behind, while the implementation of regulations on working time has just begun.

Key characteristics:

- Social partners are not involved in the process of harmonization and monitoring of laws and by laws
- Laws are in place but not implemented

Structure of the national trade union representation in urban public transport and collective agreements**Urban-suburban railway transport**

One Collective agreement signed by Railways Passenger Transport Ltd and two trade unions: Railway Workers Trade Union of Croatia and Croatian Trade Union of Railway Workers

Tram and bus transport

At national level the urban transport workers are represented by Trade union associations of driver and transport workers of Croatia. Members of association are 14 local trade unions. Each trade union has signed one collective agreement with the local bus/tram company. There is one more national trade union in the road transport sector: Union of Transport and Communications, which has about 4000 members, half of the segment of road maintenance and half of the segment of road transport, mostly passenger.

Key characteristics:

- Extremely strong internal proliferation of trade unions, the establishment of quasi-unions, associations which are neither registered as a trade union or perform union duties, trade unions without membership
- Relatively low wages, lower than the average for at least 20%
- The greatest violation of rights in terms of total working time

Urban public transport in France

by Alain Sutour, CGT Transport

Introduction

As in the PSO regulation tendering process and contracting between companies and urban transports authorities is the rule on the French urban transports market, for a long time now. Furthermore three of the most important multinationals actives in the field of urban transports are French. That is why sharing this experience could be of some interest among Europe, including resistance to powerful multinational companies, and dark sides examples. Notice that the following presentation is nothing but a short Overview of the French urban transport sector.

1. Human and social**1.1. Users**

First of all, we all are trade unionists; then what is the most important for us are the human beings. Before speaking about our colleagues it is useful to focus on those without whom the urban public transports has no meaning: the users.

There are nearly 29 Million inhabitants who live in 199 transport networks areas. 29 million, that is nearly half of the French population. Users do 5,3 Billion journeys a year, mainly in “*Ile de France*”, the capital Region around Paris. Users have to pay for their transport but the fares are far from covering the real price. Takings for a journey is 0,52 € and this doesn't cover the spending which is up to 1,40 €. As we will see later about urban transports finances, the difference has to be provided essentially by local governments.

1.2. Work force

You also need a work force to drive, to maintain, to manage the urban transports networks. There are 90 243 employees to do that. A French specificity lies in the fact that more than half of them work in public owned companies, mainly Paris, Marseille and Toulouse. Women's part among employees is only 16%. The most numerous workers are bus drivers (67%). This kind of work is seen, or considered, as a man's work and hard to manage with a family life. Nevertheless women driving on the Reims network are up to 25% for example.

1.3. Social frame

In the private companies and public corporations (except RATP) social relations are ruled by a national collective agreement guaranteed by the law and by the central state. This national collective agreement handles over disciplinary matters, hiring and dismissal conditions, minimum wages. Every year a compulsory negotiation about salaries is held at a national level and at a company level.

It is a status inspired from that of the civil servants which ruled the social relations for RATP employees.

There are also companies' collective agreements on specific items. Notice that both urban transport national collective agreement and RATP employees' status are nothing but a social minimum. It means that in case of change of operator after a tendering competition, the new employers if they are obliged to keep employees are also free to denounce all companies' social agreements. If they do so, these agreements remain in force until 15 months. After that time, if employees failed in shifting the balance of power, it is only the minimum standard provided by the national collective agreement which apply.

2. Urban public transports' organisation

2.1. Urban transport authorities

- The main part (68%) of the urban transport authorities is grouping municipalities. From that: 41,8% are agglomeration community. It is a metropolitan government structure. It is one of three forms of intercommunality, less integrated than an urban community (4,8% of the UT authorities) but more integrated than a community of “communes” (i.e. municipalities) (12,8%).
- 22% are single “communes”.
- 9,9% are “*syndicats mixtes*” a joint venture between various public authorities of different types. Typically these might include a “*département*” (i.e. department) together with an agglomeration community or several “communes”.

With an exception: the Ile de France region where the transport authority depends mainly on the regional government, the regional council.

2.2. Financing urban transports

If we consider urban transports financing between 2001 and 2008 we can notice a significant growth from 4,6 billion € to nearly 6 billion €. Despite the financial crisis this growth will continue because there is a huge demand in the society, and among the politicians, for sustainable transports.

We can also notice on the one hand that the part of the central state is nearly marginal and on the other hand that commercial takings are far from sufficient, even if they are growing. Then the urban transport financing depends on taxes collected by the local governments and a specific one the “*versement transport*”. It is a tax based on the payroll of all companies of more than nine employees in an urban transport area. This tax is given to the urban transports authorities.

2.3. Market structure

French urban public transports market is liberalized for a while. Nowadays 90% of the transport networks are open to competitive tendering procedures. From that 78% are under Delegation of public utility, and 12% under procurement contracts.

The other companies are internal operators with (6%) or without (4%) financial autonomy. A minority even if against all odds Toulouse’s network, responsible for the mobility of about a million inhabitants, became some years ago an internal operator.

3. The result of a liberalization

3.1 An oligopoly

As a result of this long time liberalization little and family owned companies progressively disappeared as do a lot of internal operators. 69% of the networks, more than the two thirds, are operated by only three companies Kéolis (a subsidiary of SNCF) for 27%, Veolia transport (a subsidiary of Veolia environment) for the same percentage and Transdev (a subsidiary of the “*Caisse des dépôts*”, a state owned bank, and RATP) for 15%.

AGIR (12% of the networks) is an association grouping urban transport authorities aiming to escape multinational groups influence and municipally owned companies like Marseilles and Toulouse.

The others are mainly little scale companies and RATP Dev, a private subsidiary of RATP. That is what explains that they operate only 7% of the journeys. From this point of view it is 77% of the journeys that are operated by the big three. Keolis operated the most important networks like Lyon and Bordeaux that is why it summarizes 38% of the journeys. Transdev operates the most important tram networks, that is why it summarized 22% of the journeys, more than Veolia with only 17%.

3.2. Main companies

Until recently there were three main companies, Transdev Veolia and Keolis. But a merger between Veolia and Transdev has occurred on the 3rd march 2011, the RATP getting back assets from Transdev. Veolia-Transdev is actually the first transport group in the world (and France) running railways, interurban and urban transport networks in 28 countries including Croatia, Slovenia, Serbia, Poland, Czech republic and Slovakia.

Keolis want to reach a critical size and in this aim offer to merge with the British multinational group Arriva, but DB bought it first.

3.3. National public companies

On the one hand the RATP Autonomous Operator of Parisian Transport is in charge of the majority of the transportation system in all of the Île-de-France region. It is an integrated company combining engineering, operations and maintenance. But the RATP group also pretends to be the world's fifth largest public transport company. It operates in 11 countries but none in east and central Europe.

On the other hand SNCF the national railway company. It still operates regional and suburban railways. It is also a multinational group in railways, logistics and urban transports, this last activity through its subsidiary Keolis. This company operates in 11 countries but none in east and central Europe.

4. Arguments and facts

The management of public utilities such as the water, waste and transport, allows one financial group to realize important margins to pay shareholders, from investments financed largely by the users and communities. It seems that sometimes it is not enough.

4.1. Cartelization

In the nineties Connex (now Veolia), Transdev and Keolis were caught for establishing a cartel to divide up the national market of the urban public transport in France.

On the occasion of calls for tender those three companies agreed either not to present offer or to withdraw, or to present offers which do not hamper the holder of the market. They so deceived local authorities on the reality of the competition. This cartelization of an oligopoly allowed them to finance on funds of local governments a real monopoly pension. The French competition authority the "*Conseil de la concurrence*" (i.e. Competition Council) condemned them to the maximum fine: 12 million €.

4.2. Return to public hands

The public management allows answering to the needs of the users, at the best price, making sure that the public money is good allocated to the improvement of the service and not in the payment for private shareholders. For example in Belfort (100 000 inhabitants) an eastern France conglomeration, in 2006 the transport network comes back in local government control. That allowed the organizing authority to save 8 million € over 4 years with regard to the price proposed by the outgoing private company. During this period, the number of journeys progressed of 40 % thanks to an ambitious policy.

That is the proof that a state owned company and a management independent from multinational groups can thus allow to revitalize a network by realizing substantial savings.

You can find also two other French examples about the return to public hands to a publicly owned, a local government owned company: in Marseilles and Toulouse two south French conglomerations of each more than one million inhabitants. In Marseilles the newly built

tram come from Veolia hands to the urban transport authority internal operator, after a hard fight from 2005 until 2008: 46 days on strike and three court decisions. In Toulouse after a lobbying by the CGT, and some left wing politicians, the entire network come back from Veolia hands, and the Toulouse Company became a public owned one in 2006. That was a hard political fight, but a victorious one.

That is the proof that it is possible to strike back, even against the biggest multinational group!

Local Public Transport in Hungary

Structure and main issues of the urban public transport system

Urban transport is typically provided by the state-owned VOLÁN enterprises and by the transport companies of local governments in Hungary.

The VOLÁN companies primarily give long-distance and regional passenger transport services, but in several cities the urban transport services belong to the scope of their activities, too. Therefore the urban and regional services within the same company group may cause some problems in several areas. The problem arises from the difference in funding, since it is non-transparent for the local governments what proportion is spent on the urban and the regional transport from the subsidies from the local government and the state. The VOLÁN enterprises that perform both, urban and regional transport services, should be managed separately and it makes the operation more difficult for them. Several attempts have been already made in cities to separate completely the urban and the regional transport, but little success has been achieved so far. Debrecen is one of the exceptions, where the local government-owned local public transport service provider (Debreceni Közlekedési Zrt) has managed to take the bus transport as well as the tram and trolleybus services.

There are 6 cities, which dispose over their urban public transport companies. Budapest, Debrecen, Kaposvár, Miskolc, Pécs and Szeged, where the public transport (PT) belongs to the local government in 100%. The PT companies are merged with other service companies, operate as a holding entity (a trustee) and the local government owns them in 100% in Debrecen, Miskolc and Pécs. In the other towns the PT entities perform the services under the authority of the local government directly.

Currently the urban transport services are not in private hands in Hungary; however, this risk is increasing. The private sector has already appeared in Debrecen and in Pécs. Although the city owns the bus transport services and the drivers are the employees of the company, the buses and the maintenance activity belong to an external, non-local governmental or not a state-owned company. This phenomenon might continue to spread, so the trade unions have to take action in the near future. The outsourcing of the maintenance activities is not the correct direction because with this solution the price of the service is also increasing, since the buses (which are provided by the maintenance company) are also included in the price of the services, for which the city has to pay, in addition the vehicles are not the transport company's property. In other words, the city buys the buses for the private supplier.

Key characteristics:

- only state-owned and municipal-owned companies,
- mixture of urban and regional services state-owned VOLAN companies;
- no transparent for local governments
- Buses and maintenance activities owned by private suppliers

Financing of the public transport system

The financing of urban transport is essentially composed of three lots:

- Fare incomes
- **Normative subsidy and price supplement** by the state
- Subsidy by local government

Beside the listed items the service providers have other revenues as well, depending on what other tasks they do (i.e. parking fees) or possible advertising revenues, which amount is not significant compared to the total revenue.

Generally the fare revenues cover 50% of the cost of the PT. The state (**normative subsidy**) supports the PT in 110 towns, in total HUF 35 billion. Only of interest, Budapest transport receives HUF 32 billion out of the total amount and many other towns disapprove of it (which is understandable).

The **price compensation** is intended to support the enterprises that are liable to offer price reduction tariffs (for student and pensioner passes), it means these companies receive some compensation in order to fill the gaps in their income under the statutory requirements. The state provided nearly HUF 23 billion for local transport, out of which the Budapest transport received HUF 17 billion in 2009.

The proportion of the subsidies of the local governments is greatly different and depends on the financial possibilities of the local authorities. Nevertheless almost every local government supports the local transport from their own resources with one exception. The local government (Municipality of Budapest) did not finance the operation of Budapest transport in the past 8 years (2010 is the first year when the situation has changed).

Following the example of BKV, the Budapest transport, was operated and financed in the recent years from the items below:

1. Fare revenues:	HUF 48 billion
2. Normative subsidy:	HUF 32 billion
3. Price compensation:	HUF 17 billion
4. Municipality of Budapest:	-
TOTAL	HUF 97 billion

The budget of BKV is about HUF 120 billion, it is apparent that its revenues do not cover all the expenses; therefore it is constantly generating loss, which is explained by the failure of the owner's obligations. The Budapest transport is close to bankruptcy and after the autumn elections significant changes are expected.

Key characteristics:

- BKV is currently the property of the state and the municipality
- Low level of service because of funding problems
- Urban transport concept: lack of united approach

Legal framework for public transport and the implementation of the PSO regulation

The EU law has been incorporated into the Hungarian legal system. The directive of EU 2003/59 on urban transport is not yet applied; the trade unions have turned to court in this matter. The other questions are properly arranged, so is the legal background of the regulation of EU 1370/2007, too.

The outsourcing of PT has not reached such an extent that the employees' rights and employment issues could have suffered because of this. The trade unions are concerned about the issue of quality service, but not because of the effects of outsourcing, rather the financial problems cause trouble. Unfortunately, just the issue of the lack of financing feeds the growing political will which projects the outsourcing and the privatization of different tasks of PT.

In Hungary most of the transportation companies signed the service contract for 8 years just before joining the EU in 2004. The year of 2012 can bring the first major changes, that is to say 2011 will be dedicated to the preparations and it will be a great challenge for the trade unions. The results and the experiences of the SCRIPT project can be one of the best help for the employees.

In the period of changes the regulation of 1370/2007, its application and the development of favourable conditions for the employees will be put forward, in the course of these processes the trade unions are facing difficult tasks.

Key characteristics:

- The future of the urban transport depends on the ideas and financial subsidies of the new right-wing government and local governments
- Tender or direct award
- The importance of quality service, the continuity of upkeeping the working conditions of the employees

Structure of the national trade union representation in urban public transport and collective agreements

The divided state of trade unions is shown by the significant number of trade unions in the transport sector and within the urban transport, as well. The other problem is that collective agreements are concluded at the local levels, so to ensure the unified regulations and working conditions are not achieved at the sectoral level. The difference in wages can be explained by this.

The average wage is € 1030/month in Budapest, which can be 20-30% less in some country towns. Those trade unions which strongly appear in the representation of employees can fight for better conditions for the workers. One of the explanations is not only the divided trade unions, but the other problem is the lack of social dialogue and its poor quality, which is typical in Hungary.

The trade unions negotiate at local levels and try to represent separately the local interests. Collective agreements on sub-sectoral level exist only within the VOLÁN enterprises, but in

the urban transport there is no such agreement. In the urban transport field a trade union federation has been established which is suitable for nationwide representation, but it has achieved little progress so far. The reason is that the employer's side is not willing to enter into negotiations and there is not legal regulation to help the trade unions in the enforcement of such negotiations.

On one hand the employers depend on their own local governments; therefore, there is a strong political influence, on the other hand the cooperation is not too strong between the employers of the towns and the gap is getting deep between the capital and the towns due to the hidden conflict (because of the higher state support of the capital). The local governments owning the PT companies are not willing to enter into negotiation with the trade unions at all. The unified representation of interests does not occur and the local level dialogue is more typical in Hungary. The European practice of social dialogue is failed, which allows conflicts to develop.

In spite of dividedness of the trade unions they collaborate on local levels and their organization is pretty high. The membership can be 80-90% in the towns, but in certain towns (Debrecen, Pécs) this number is lower, where the private supplier appeared (on the field of maintenance work). The membership is lower (50-60%) at the VOLÁN enterprises, mainly due to their regional location.

The membership of KSZOSZ covers a large part of VOLÁN companies and the Budapest transport. We currently have discussions in the interest of covering urban transport more broadly by gathering the local trade unions of the towns into the national association (KSZOSZ). This is a realistic chance, which is growing gradually and is expected to be realized early next year. The largest freight transport trade union is also the member of KSZOSZ.

Key characteristics:

- The organization is high, but the trade unions are divided, which is a barrier to the effective representation of interests.
- Local level collective agreements, different working conditions in the urban transport.
- The collaboration of sectoral trade unions is underdeveloped in the urban transport trade unions with weaker representation of interests are lagging behind.

Local Public Transport in Latvia

Structure and main issues of the urban public transport system

Latvian public transport is divided into intercity and urban local transport. Each city has its own municipal companies, which provide urban transport and inter-regional traffic. The main forms of public transport: road transport and electrified transport. In the three largest Latvian cities there are also trams available for public transport. In Riga there are trams, trolleys, buses and minibuses available for public transport. Riga city traffic is managed by the company RP SIA *Rīgas satiksme*, but the minibuses belong to private companies. RP SIA *Rīgas satiksme* became one of the largest municipal enterprises in Riga city. At present, the company employs a staff of nearly 5.000. *Rīgas satiksme* provides the following services:

- tram (252 trams, 9 tram routes);
- trolleybus (346 trolleybuses, 20 trolleybus routes);
- bus (478 buses, 54 bus routes);
- parking (3680 parking units).

Key characteristics:

- Latvia has a urban and intercity passenger transport. These are national or local companies.
- In parallel, there are minibuses owned by private companies.
- Latvia is divided into regions and each region has its own local municipal company, which provides her own public transport.

Financing of the public transport system

Public transport is funded by the Latvian government grants and municipal subsidies.

Structure of the national trade union representation in urban public transport and collective agreements

The Latvian Trade Union of Public Service and Transport Workers LAKRS represents members and their interests all over Latvia. The transport sector is treated separately, as it involves the city, intercity and freight transport industries, as well as taxi services.

LAKRS represents approximately 70% of all urban transport workers in about 12 passenger transport traffic companies throughout the country. As well as LAKRS have as individual members - long-distance drivers.

LAKRS represents the interests of its members in: **National Tripartite Cooperation Council and Transport and Communications industry Tripartite Cooperation Sub., State and municipal institutions and courts.**

Trade union sign collective agreements with the Professional Organization. Each of the transport company can build the Professional organization. Organization need to appoint head of professional org., which will represent all organizations (trade union) members in cooperation with LAKRS and employers. There are four main features:

- Companies establishing a Professional Organization
- Professional Organization signed a collective agreement with trade union
- Professional Organization Chairman is responsible for the collective agreement
- condition observation and a «representative» company in cooperation with the employer

Almost every Latvian professional organization has concluded a collective agreement with LAKRS.

Important:

- 12 transport organizations (created from 3 or more people);
- 90% of all org. have a collective agreements;
- 1 professional organization = 1 Trade Union = 1 collective agreement.

Key characteristics:

Challenges with employers:

- Employers don't want to cooperate with trade unions;
- Employers are not interested to sign the collective agreement (it endangers the transparency of their actions);
- Employers don't respect trade unions;
- Only some employers are interested in their employees interests;
- Employers are working only in their own interests;
- Difficult to start and direct negotiations with employers.

Local Public Transport in Lithuania

Structure and main issues of the urban public transport system

The buses are the main public transport means in Lithuania, additionally in two major cities – Vilnius and Kaunas – there are also trolley-buses. The major public transport companies are joint stock companies, 100% of their shares belong to the local municipalities. There is a very small share of private urban transport. The suburban, intercity and international bus routes are covered by the private companies. No urban rail at all. Taxi and minibus companies are private.

Key characteristics:

- The major public transport companies belong to the local municipalities.
- The share of private urban transport is small.
- The suburban, intercity and international bus routes are covered by the private companies.
- No urban rail at all. Taxi and minibus companies are private.

Financing of the public transport system

Public transport is financed via the tickets for the provided service. There are compensations for the government established percentage privileges for the certain groups of passengers (Disabled, pensioners, pupils).

Local municipalities are ordering the service and they conclude the agreements with the concrete carriers on the routes and services. In case of non-profitable routes there are subsidies, but the municipalities always have no money, thus the compensations are very late. As the example in the Vilnius bus depot – the debt of the bus company makes over one hundred million Litas and nearly the same sum makes the debt of the Vilnius municipality to the bus depot. In case of late subsidies the accounts of the company are blocked, taxes are late as well as wages.

Key characteristics:

- In case of non-profitable routes there are subsidies, but the municipalities always have no money, thus the compensations are very late.
- In case of late subsidies the accounts of the company are blocked, taxes are late as well as wages.

Legal framework for public transport and the implementation of the PSO regulation

PSO Regulation is not properly implemented, especially paragraph 4 because the conditions for private and municipal carriers differ a lot in respect of functions, financing and control.

The private companies have the profitable routes with all income. Accountability is not transparent and not properly controlled.

Structure of the national trade union representation in urban public transport and collective agreements

There are corresponding transport trade unions and the company level collective agreements in Vilnius and Kaunas both bus and trolley-bus depots, in Rokiskis, Birzai and some other places. Almost 50% of the urban transport companies have no trade unions.

There are no Work councils as well, at least they are not known. It means that employers are organising work and wages one-sided.

The Labour Code of Lithuania has the provision on Collective agreements with 3 options provided: CBA agreed and signed by the company trade union. If there is no company trade union this right can be delegated to the branch trade union (usually it is not the case) work council.

And the 4th case when there is no trade union at all. In such case any dispute case goes to court. There are no specialised labour courts.

There is the umbrella organisation in Lithuania, the Forum of the transport trade unions, that signed the collaboration agreement with the employers; organisation LINAVA.

There are no branch agreements at all. Thus, wages are very low in the regions.

Key characteristics:

- Trade unions: poorly organized
- There is the umbrella organisation in Lithuania, the Forum of the transport trade unions, that signed the collaboration agreement with the employers: organisation LINAVA.
- There are no branch agreements at all. Thus, wages are very low in the regions.

Local Public Transport in Malta

This Service was introduced in Malta in 1930. At first, The Public Transport was operated by bus owners, each of them working on a particular route. At that time, the route was distinguished by the colour, everyone different from each other. This created a very colourful situation at the terminus in the capital city of Malta, Valletta, where all the Public Transport operated from different towns and villages, ended their journey.

This pattern kept on running for quite a number of years, until 1971, when the Association for Public Transport (ATP) was founded. The members of the ATP were the bus owners and in a General Meeting, held every two years, they elected an Executive Committee made of the President, Vice President, Secretary, Treasurer and three ordinary Members. During the General Meeting, each member has a number of votes according to the number of buses he has in the business.

The ATP has a vast network, covering the whole island of Malta, besides offering other services, like direct services and a special night service from popular night spots on the island.

The aim of the ATP is to provide an efficient, frequent and economical service to the customers. The ATP owns 508 buses, and has 600 employees, mainly bus drivers, despatchers, Inspectors and Ticket Collectors. The service caters for 82 routes, spread all over the island and performing around 4500 trips daily. ATP caters also for school children trips and other unscheduled work.

The service accommodates 32,000,000 passengers yearly with a turnover of 18,000,000 Euros. With the joining of Malta in the European Union in 2004, there was a need that the Public Transport had to be in line with EU legislation. Talks led to the introduction of:

- 25 new direct routes, resulting in a successful service with newly attracted commuters.
- Drastic improvement in the communication sector of the Transport Services with the introduction of two-way radio system.
- printed informative media and Website.
- 147 old buses were replaced by super low floor buses.
- The formation of Maltabus Advertising Limited, owned by the ATP is a living source for 450 bus owners, while exposing information to the public.
- Introduction of the ticketing machine system and new bus shelters. These shelters rendered a new and modern street furniture, thus promoting a more professional impact.

The existence of the ATP comes to an end on the 3rd July, 2011, when the multinational company ARRIVA, will take over as the main operator of the Public Transport in Malta, following a restructuring exercise, done by the Government of Malta, who awarded a ten year contract to the company, following a competitive tender procedure to operate the Service.

ARRIVA plans to employ a workforce of about 900 workers. Their managing plans will give a radical change to the services rendered for so many years.

From the very start of their arrival in Malta, ARRIVA started talks with the General Workers Union, who claims the majority of members in the sector. The change in the workers representation came into force, following an inhouse strive for membership with the GWU, from the workers themselves, after learning that the transition talks between the Government and

their previous representing Union, were not concluded up to their expectations due to lack of observation of PSO Regulation which was introduced nearly two years ago.

This Regulation has to be endorsed in the procedure of future tendering processes.

The major aim of the GWU is to ensure that most of the present Public Transport Workers would be engaged by ARRIVA. There are other problems to be addressed, such as the effects of the change on most of the workers who are joining ARRIVA as employees, when they have been working for many years as self employed workers and the strive to continue having the Public Transport as a Service to the community and not as a profit making objective.

Another challenge for the GWU will be the implementation of a new Collective Agreement where EU legislation about working time, continuation of Service, Health and Safety, and ongoing training programmes for the workers and new recruits, must be the key subjects of the Agreement.

Local Public Transport in Romania

Structure and main issues of the urban public transport system

Romania has a rich network of urban public transport above the ground, and Bucharest city has the largest transport network in Romania and among the largest in Europe. The network is composed of a subway system, plus three methods of surface transport: trams, buses and trolleybuses. Although there are many points of correspondence/connection, the subway and surface transport system are administered by different institutions (like Metrorex and R.A.T.B.) and use separate tickets, making the transfer between both systems very difficult for several times. For this reason, there is an intention for both transport networks to be unified in the shortest time, under the Metropolitan Transportation Authority.

Autonomous Transport Company of Bucharest is the main public transport company for passengers in Bucharest and Ilfov county (is the county which surrounding the capital). So, the surface transport in Bucharest is the responsibility of Autonomous Transport Company of Bucharest (R.A.T.B.). In Romania there is a local surface transport company in every city. The surface transport includes an extensive system of buses, trolleybuses, trams and light rail line. R.A.T.B. network is among the densest in Europe, being the fourth largest on the continent and carrying 2.26 million passengers daily on 116 bus routes, 20 trolleybus lines and 25 tram lines (including the mentioned light rail). As the subway system, R.A.T.B. undergoing a phase of renewal, characterized by converting the tram lines to light rail lines and the purchase of new vehicles, especially buses.

Public passenger transport is carried out on approximately 500 km of tram lines, bus lines 900 km and 300 km of trolleybus lines, from a total of 227 square kilometers of Bucharest. The largest share of public passenger transport is holded by R.A.T.B., about 70% of total transport demand, followed by subway/metro/underground transport with 20%.

The link between urban and interurban is made in Ilfov County, where R.A.T.B. has the suburban lines.

One of the «oldest» metropolitan areas in Romania is Oradea (a city in the west part of Romania) since 2002. There are another cities where we meet metropolitan areas like: Iasi (a city in East part of Romania) since 2004, Constanta since 2007 and Timisoara since 2009.

Urban public transport system is part of the national transport system (the air transport, shipping, railways, road transport), representing the tertiary area (services) of the economy. According with the geographical component (urban population) there are urban public transport systems in:

- the capital Bucharest
- in large cities (like: Constanta, Brasov, Cluj, Timisoara etc.).
- in medium towns (Sibiu, Medias, Slatina, Giurgiu etc.).
- in small towns (Sinaia, Eforie Nord, Radauti, Turda, Salonta etc.)

According with the used vehicles by category, we have:

- Electrical transport (tram, trolleybus, metro)
- Motor transport (bus, minibus and taxi (car))
- Environmentally friendly transport (of the future) – cycling

Key characteristics:

- In comparison with the private sector the charges/dues/taxes in the state area are lower.
- Also, especially Bucharest is a very crowded city and is facing a major problem like “rhythmicity”, which can not be respected in all transport lines.
- Wages and working conditions in many cases are better in the state area than in the private sector.

Financing of the public transport system

At the national level there are 46 Autonomous Local Transport Companies and Companies (12 Autonomous Local Transport Companies and 34 Public Transport Companies), the Autonomous Transport Companies are under state umbrella and patronage of the municipality.

Public utility services as required by the law are subordinated to local authorities, local councils or county authorities. The Autonomous Local Transport Companies and Local Companies receive limited subsidies. Most of these services belong to the state.

It is true that for the budgets of local communities, metropolitan transport has meant an additional expense, in the sense that the subsidies have been provided and allocated to them, but residents of suburban municipalities are happy with this service. This one is a reason for metropolitan transport to start to become an attractive one in other cities.

Metropolitan transport lines are managed by private carriers/operators, the prices are higher than for public transport, but it is a necessity for travel and comfort – is not accessible to all willing people.

Financing by local governments: the transport autonomous companies at the city level that belong to the local authorities (City Halls), which provides necessary resources to both exploitation and transport development projects in that area.

Financing by the state (Ministry of Transport and Infrastructure): Metro/subway system of Bucharest)

Financing infrastructure by public - private partnership: for example the tram line in Oradea.
private owned taxis: in case of the minibuses lines (maxi taxi) in some cities, as well as the transport provided by taxi system.

Key characteristics:

- Lack of funding from the local and municipal authorities (where appropriate)
- Low/poor endowment of technical equipment and from the organizational point of view - poor management of urban traffic
- Competition between systems and lack of political decision makers in combatting this phenomenon (see the draft metropolitan transportation authority project)
- Preferential allocation of development projects in transport systems and increasing corruption in connection with the implementation of these projects.

Legal framework for public transport and the implementation of the PSO regulation

The main characteristics of the PSO Regulation are: Direct award to its own operator in their own area or suburbs including railways. Direct awards to small and medium-sized companies. Requirements on quality standards and especially on the social standards (takeover of collective labor agreements, social agreements, keeping/preservation of rights: working conditions, measures against social dumping).

Currently in Romania there are laws which regulates the public services, such as: the Law No. 51/2006 of community services for public utility. For the local public transport there is the Law Nr. 92/2007. It is necessary to complete these laws and to be adapted to European legislation.

Key characteristics:

- Adapting the PSO Regulation in national law

Structure of the national trade union representation in urban public transport and collective agreements

The trade unions from the urban public transport sector were set up immediately after 1989 based on the structure of the old and existig transport companies. As a general framework, there are trade unions at the level of current transport companies.

At the R.A.T.B level (the only existing public transport company at Bucharest level) there are several unions set up by the means of transport, electric, buses, administrative etc. These unions are able to negotiate in common, the collective labor agreements at the branch level – (signed by seven unions). Some of these unions have formed federations, the Federation of Transport and Public Services, currently “ATU - Romania”, who managed to negotiate the Collective agreements at the industry of transport level. Other examples, Road Transport Federation (drivers), Taxi Drivers’ Unions Federation. In turn, these federations have belonged or belong to the representative confederations (like CNSLR - FRATIA, B.N.S.).

In the urban public transport a Collective Bargaining Agreement is negotiated at the following levels: branch, group of units and at the Rural, Housing and Local Transport Administration level. All the Collective Bargaining Agreements contain special chapters which regulates/governing the working conditions, wages, working and rest time, period of the leave/vacation and additional leave, how to pay the overtime, by special rates.

Regarding the labor/industrial disputes which led to the outbreak of strikes, are well known to R.A.T.B. level (in 1999, 2000, 2010) there were spontaneous strikes, the main claims being violation of the Collective Bargaining Agreements. On 1st June 2010, a solidarity strike took place at the R.A.T.B. level, which was legally started by SLTC “SPERANTA” Union.

Unfortunately this strike was not supported by other unions in R.A.T.B., who became solidary/supportive of the administration/management and local authority represented by the General Mayor of Bucharest.

Key characteristics:

- The atomisation of the union movement and lack of a common reaction.
- Betraying the interests of union members by some representative leaders.
- Poor organization and obedience to authorities and decision management (as example R.A.T.B. solidarity strike).

Note:

The public transport unions must give up pride and obedience, and through common actions to joint together into strong federations to become major players in the development policy of urban public transport system at the European level.

Local Public Transport in Slovenia

Structure and main issues of the urban public transport system

Only one public transport service is public (municipally) owned, the other are private companies. For example town Celje (the third largest town in Slovenia) does not have public transport service on the base of concession. Public transport service was changing step by step. The outcomes of those changes are less bus routes and lower quality of busses.

Municipally owned public transport company exists only in Ljubljana, the capital of Slovenia.

Deregulation caused lot of problems and worsened economic and social standard of the employees.

Fares have risen faster than inflation, number of employees (almost 50%) and passengers have slumped due to less of employees in the industrial sector, on the other hand citizens were able to by their own cars.

For further information have a look at the national report Slovenia (see seminar documents) from the UITP brochure: „Organization and major players of short-distance public transport“ , Edition May 2010

Key characteristics:

- High fares, low demand
- Poor Wages and conditions
- Lower standard of busses (Veolia for example has brought busses to Maribor, that no longer were acceptable for Belgium)

Financing of the public transport system

Subventions are negotiated between the Municipals and operators. Subvention for the passenger is settled according to the recommendation of the state.

Bus operators are demanding higher subvention for the bus transport. We can suspect that they will try to achieve cartel agreement to get higher subventions.

For further information have a look at the national report Slovenia (see seminar documents) from the UITP brochure: "Organization and major players of short-distance public transport", Edition May 2010

Key characteristics:

- Private greed before public need

Legal framework for public transport and the implementation of the PSO regulation

PSO regulations already exists in Slovenia and they are considered in the process of public competitions for concessions in the shape of public tenders.

Key characteristics:

- Legislation for controlled competition model is in place
- Quality Contracts would fully protect employees' jobs, terms and conditions

Structure of the national trade union representation in urban public transport and collective agreements

The bus industry is weakly unionised in Slovenia. Most bus drivers are unionised in municipally owned company and Veolia and less in the smaller bus companies. Even they are organized, they are in different trade unions organized on the state level. Membership in different trade unions sometimes leads to weak position on negotiations on working conditions and salaries.

In the bus industry there is collective agreement at national level, actual bargaining for salaries and working conditions is negotiated at the company level. This means salary rates and terms and conditions vary across the country. Due to working condition and paid working time, there were many disputes with companies. This was the reason for many strikes. Trade unions are not satisfied with the outcome, therefore we can expect more trade union actions.

Key bargaining issues currently are:

- improvements to hourly rates of pay
- payment of non-driving time (there is no payment for stops over 10 minutes)
- reducing maximum spells of duty and maximum duty lengths
- normal payment for overtime and unsocial hours

Trade unions are free to strike over any dispute with the employer as long as negotiations have been exhausted first. Sometimes strikes have taken place over unfair dismissals and breaking of agreements.

Key characteristics:

- Weak unions with low density
- Ability to stage effective strike action depends on cooperation between trade unions
- Collective bargaining at company level according the branch collective agreement
- Powerful multinationals seeking to minimise labour costs

2. Overview over multinational companies active in urban public transport in Europe

As we saw in the SCRIPT project multinational companies are important players in the local public transport market (cf. Table 3 in this Tutorial). The following multinational companies should be mentioned:

ARRIVA (2011)

- Owner: Deutsche Bahn (since August 2010)
- Active in 12 countries in The EU: Czech Republic, Denmark, Hungary, Italy, Netherlands, Poland, Portugal, Slovakia, Spain, Sweden and the UK. Arriva will start operating bus services in Malta in July 2011.
- approx. 4 Bill EURO turnover
- 38.500 employees
- 14.150 vehicles
- www.arriva.co.uk

EGGED (2009)

- cooperative owned company
- leading public transport operator in Israel (55% market shares),
- active in 3 EU countries: Bulgaria, Poland, the Netherlands (starting Dec. 2011 in the region Waterland)
- 6.227 employees (without Europe)
- 3.033 vehicles (without Europe)
- www.egged.com

KEOLIS (2010)

- owner: SNCF (56,5%), AXA + CDPQ (40,7%), management + staff (2,8%)
- Australia, Canada and USA
- Active in 9 countries in Europe: Belgium, Denmark, France, Germany, Netherlands, Norway, Portugal, Sweden, UK
- 3,2 Bill EURO turnover
- 47.200 employees
- 15.800 vehicles
- www.keolis.com

NOBINA (2011)

- owner: Majority shareholders include Blue Bay Asset Management, Avenue Capital Group, Fidelity Funds and Lone Star Funds
- active in 4 countries in Europe: Denmark, Finland, Norway, Sweden,
- 736 Mio EURO turnover
- 10.403 employees
- 3.618 vehicles (only busses)
- www.nobina.com

VEOLIA TRANSDEV (2011)

- owner: Veolia Environnement, CDC
- merger of Véolia Transport and Transdev
- active in 28 countries worldwide
- active in 16 countries in Europe: Belgium, Croatia, Czech Republic, Finland, France, Germany, Ireland, Netherlands, Poland, Portugal, Serbia, Slovakia, Slovenia, Spain, Sweden, UK
- 8,6 Bill EURO turnover
- 119.000 employees
- 60.000 vehicles
- www.veoliatransdev.com

There are also some multinational companies, which operate only in one EU Member State (not eligible for establishing a European Works Council):

First Group (2011)

- owner: Majority shareholders include Lloyds Banking Group PLC, Capital Research & Mgmt Co, Standard Life Invs Ltd, AXA SA, JP Morgan Chase & C, Blackrock Inc
- worldwide: Canada, U.S.A. and UK
- 7,7 Bill EURO turnover
- 125.000 employees
- 60.000 vehicles
- www.first.com

MTR (2010)

- owned by County of Hongkong (76%), 24% by private shares
- worldwide: China (Hongkong, Beijing, Hangzhou, Shenzhen), Australia (Melbourne and Sweden (operator of Stockholm Metro since 2009; owner of Stockholm Metro is Stockholm County Council)
- bidder in U.K. and Denmark (public transport by train), Sweden (Stockholm Metro)
- www.mtr.com.hk

Stagecoach (2011)

- owner: Majority shareholders are individuals (96,2%)
- worldwide: Canada, USA and UK
- 2,7 Bill EURO turnover
- 30.000 employees
- 13.000 vehicles
- www.stagecoach.com

Examples for the market share of multinational companies in some European countries:

France	Malta	Sweden	UK
<ul style="list-style-type: none"> • Keolis • Veolia Transdev 	<ul style="list-style-type: none"> • Arriva 	<ul style="list-style-type: none"> • Arriva • Keolis • Veolia Transdev • Nobina 	<ul style="list-style-type: none"> • Arriva • First • Stagecoach
69% market share in French market	100% market share in Maltese market	85% market share in Swedish market	49% market share in UK market

3. European Works Councils (EWC)

The establishment of European Works Councils (EWC) in multinational companies was governed by Directive 94/45/EC, which has been modified in 2009 with the **Directive 2009/38/EC**. The provisions of the new EWC have to be applied in any case from June 2011.

(<http://eur-lex.europa.eu/JOHtml.do?uri=OJ:L:2009:122:SOM:EN:HTML>

You can chose any EU language in the right hand corner at the top of the page.)

What are the conditions to establish a European Works Council ?

In any transnational company (community-scale undertaking) with at **least 1.000 employees** within the EU Member States and **at least 150 employees** in each of **at least two Member States**, workers' representatives have the legal right to ask for establishment of a EWC.

Scope: A EWC is...

a body for **information** and **consultation** of workers' representatives in transnational companies within the European Union on issues of « transnational dimension » (negotiation of agreements is not foreseen but possible).

Information means...

- the transmission of data in order to enable workers' representatives to acquaint themselves with a subject matter and to examine it (e.g. the structure of the multinational Group and substantial changes; its economic and financial situation; the probable development of its activities; the employment situation and its probable development; the main investment strategies);
- it shall be given at such time, in such fashion and with such content that workers reps' can undertake an in-depth assessment of the possible impact,
- where appropriate, prepare for consultations.

Consultation means...

- the establishment of dialogue and exchange of views between workers' representatives and management at such time, in such fashion and with such content that enables workers' representatives to express an opinion on the basis of the information provided by the management and
- within a reasonable time, which may be taken into account within the transnational company.

Proplem with « Transnational dimension » ...

- It is not defined. Therefore management tends to interpret it as measures, which affect the whole trans-national group.
- But there are agreements, which clearly define "measures of transnational dimension" as measure that affect employees in at least two countries.

Importance of EWCs

- One of the most important effects of EWCs is, that workers' representatives from one multinational company can meet at European level and exchange views at the expenses of the company;
- EWCs allow to be better prepared for changes and negotiate social agreements at national level;
- The networking allows to intervene at cross-border level at the central management in solidarity;
- In case of delocation, closure of companies, mass redundancies etc. the measures can not be stopped but postponed and social measures can be negotiated;
- EWCs have a legal status: if companies do not respect the rights of the EWC, it can complain at the Court. This can indeed stop a mass redundancy or a delocalization measure.

How to establish a new EWC

- Workers' representatives from at least two companies (subsidiaries) in at least two EU countries formally ask for the establishment of a EWC.
- A SPECIAL NEGOTIATION BODY will be set up and negotiate an agreement. The members of this SNB are elected or nominated according to the national law, which implements the EWC Directive.
- This EWC agreement defines the composition of a EWC and the conditions for its functioning (e.g. number of seats, number of meetings, a Steering Group, resources for the activities of the EWC, training of EWC members, definition of issues to be reported by the management: definition of transnational dimension, rules regarding the modification / re-negotiation of the agreement, etc.).

The role of the ETF...

- It informs and coordinates the trade unions prior to the establishment of a EWC.
- It can participate as an expert/coordinator for the unions in the Special Negotiation Body and as an expert for EWC's work, if it is agreed in the EWC agreement.
- The ETF Executive Committee adopted guidelines on the establishment of EWCs.

Examples for EWC in public transport

ARRIVA EWC

- EWC established in 1999
- 11 members from 9 countries; threshold 100 workers
- Currently, after take over by Deutsche Bahn, negotiations are taking place whether / how to integrate the ARRIVA EWC within the Deutsche Bahn EWC

Kéolis EWC

- Established in January 2011: 13 members (1 seat per 10% work force but at least one per country) from 5 countries
- Bureau with 3 members; costs for assistance, an expert and operational costs for the Bureau paid by management; time credit 5 hours/month; for Bureau members 10 h/month; 2 meetings/year; half a day preparatory meeting; interpretation and translation in all languages of the EWC members; language training and training in economic rules is paid; this time is considered as working time
- Transnational dimension: measures that affect the whole group or companies in two countries at least
- Currently discussions to create an SNCF EWC; the Kéolis EWC shall remain

EWC Véolia Environnement

- Established in 1999 (agreement recently renewed); 45 members from 21 countries (threshold 500 workers for all Véolia departments together); workers from all Véolia sectors are represented in the EWC: Waste, water, energy, transport
- 2 meetings per year (one day preparatory meeting, one day plenary, half a day conclusion meeting); interpretation in all languages of EWC members; translation of main documents in all languages
- Bureau with 7 members (provided with mobile phone, lap top, internal internet address); time credit: 1 day per meeting for preparation of the meeting; Bureau members 60 days for all together; 3 days training for EWC members per mandate; 6 days for Bureau members ; additionally language training possible; budget: 10.000 € for aquisition of expertise; 3 experts can be nominated as advisors

- Transnational dimension: all issues that are affecting workers in at least two countries negotiation of transnational agreements of principles, chartas or resolutions are possible; temporary working groups can be established
- After the merger of Véolia transport and TRANSDEV (with own EWC) the structures for European workers' representation are under review.

More information: Workers' participation website

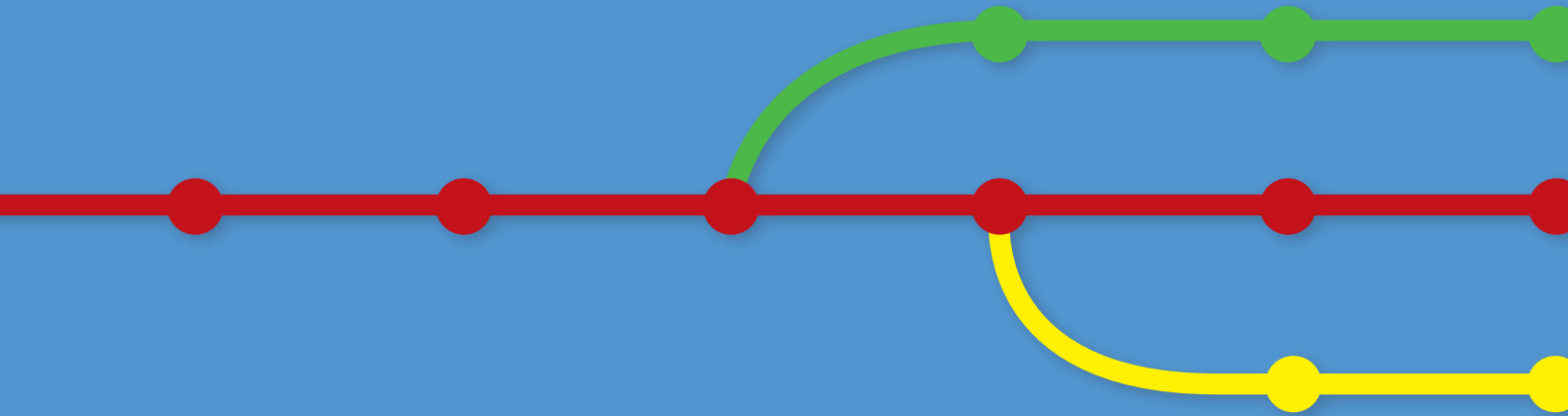
<http://www.worker-participation.eu/European-Works-Councils>

4. CONTACTS – PARTICIPATING UNIONS

BULGARIA	CZECH REPUBLIC
<p>Federation of Transport Trade Unions in Bulgaria 106 Maria Luiza Boulevard BG - 1233 Sofia Email: fttub@abv.bg Tel: +359(0)2 931 80 01 Fax: +359(0)2 831 71 24</p>	<p>Transport Workers' Union W. Churchill 2 CZ - 113 59 Prague 3 Email: osd@cmkos.cz Tel: +420(0)2 22 718 928 Fax: +420(0)2 22 718 927</p>
CROATIA	CROATIA
<p>Railway Workers' Trade Union of Croatia TRG Francuske Republike 13 HR - 10000 Zagreb Email: szh@szh.hr Tel: +385(0)1 370 75 81 Fax: +385(0)1 370 24 24</p>	<p>Trade Union of Traffic and Communications of Croatia Fabkoviceva 1 HR - 10 000 Zagreb Email: tajnikspivh@net.hr Tel: +385(0)1 46 55 696 Fax: +385(0)1 46 55 640</p>
CROATIA	CYPRUS
<p>Trade Union Associations of Driver and Traffic Workers of Croatia</p>	<p>Federation of Transport, Petroleum and Agricultural Workers 11 Strovolos Avenue CY - 25018 Strovolos Email: pantelis.stavrou@sek.org.cy Tel: +357(0)22 849 849 Fax: +357(0)22 849 850</p>
ESTONIA	FRANCE
<p>Estonian Transport & Road Workers Trade Union Kalju 7-1 EE - Tallinn 10414 Email: aime.tamme@etta.ee Tel: +372(0)6 41 31 29 Fax: +372(0)6 41 31 31</p>	<p>Fédération Nationales des Syndicats de Transport CGT Case 423 263 rue de Paris F - 93514 Montreuil Cedex Email: transports@cgt.fr Tel: +33(0)1 48 18 80 82 Fax: +33(0)1 48 18 82 54</p>

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<p>Ver.di Paula-Thiede-Ufer 10 D - 10179 Berlin Email: kora.siebert@verdi.de Tel: +49(0)30 69 56 17 03 Fax: +49(0)30 69 56 33 50</p>	<p>Unite the Union Transport House 128 Theobald's Road GB - LONDON WC1X 8TN Email: graham.stevenson@unitetheunion.com Tel: +44(0)20 76 11 25 00 Fax: +44(0)20 76 11 25 55</p>
HUNGARY	HUNGARY
<p>Federation of Road Transport Workers' Unions Akacfa U. 15 H - 1072 Budapest Email: kszosz@freemale.hu Tel: +36(0)1 46 16 500 Fax: +36(0)1 32 22 626</p>	<p>Trade Union of Hungarian Railwaymen Ürömi u. 8 H - 1023 Budapest Email: vsz@t-online.hu Tel: +36(0)13 26 15 95 Fax: +36(0)13 36 12 05</p>
LATVIA	LITHUANIA
<p>Latvian Trade Union of Public Service and Transport Workers LAKRS Bruninieku street 29/31 - 503 LV - 1001 Riga Email: arodbiedriba@lakrs.lv Tel: +371(0)67 03 59 40 Fax: +371(0)67 03 59 36</p>	<p>Lithuanian Transport Workers' Federation Minties 7-44 LT - 08233 Vilnius Email: petraska@vap.lt Tel: +370(0)686 173 84 Fax: +370(0)5 261 28 51</p>
LITHUANIA	LITHUANIA
Trade Union in Kaunas bus park	Trade Union in Kaunas trolley bus park
LITHUANIA	LITHUANIA
Trade Union in Vilnius bus park	Trade Union in Vilnius trolley bus park
LITHUANIA	MALTA
<p>UAB Vilniaus troleibusai naujoji profesinė sąjunga</p>	<p>General Workers' Union (GWU) Workers' Memorial Building South Street M - Valletta VLT 11 Email: mparnis@gwu.org.mt Tel: +356(0)21 25 679 262 Fax: +356(0)21 234 968</p>
POLAND	POLAND
<p>Krajowa Sekcja Komunikacji Miejskiej NSZZ « Solidarność » (Public service union)</p>	<p>Trade Union Workers of PKP Federation ul. Stefana Jaracza 2 PL - 00-378 Warszawa Email: jaracza@fzzk.org.pl Tel: +48(0)22 622 98 30 Fax: +48(0)22 622 98 30</p>

ROMANIA	ROMANIA
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**EUROPEAN TRANSPORT
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