WORKING PAPER

# *Urban Transport in France*


Cathy ZADRA-VEIL

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Cathy Zadra-Veil
*Université Paris VIII (Laboratoire d'Economie Dionysien)*

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## General Introduction

Recent years have seen a marked increase in cooperation between the public and private sectors for the development and operation of infrastructure for a wide range of economic activities. Such Public-Private Partnership (PPP) arrangements were driven not only by limitations in public funds to cover investment needs but also by efforts to increase the quality and efficiency of public services. When we use PPP terminology, we bring the European definition, i.e., with the broader view: "forms of cooperation between public authorities and the world of companies that aim at ensuring the financing, construction, renovation, management or maintenance of an infrastructure or the supply of a service". A partnership relation becomes established for a relatively long term and is characterised by a sharing of the risks between public actors and enterprises.

Long experience of private participation in the roads and water sectors now exists and there is a growing acceptance that Public-Private Partnership (PPP) arrangements can be used as an additional and complementary instrument to meet infrastructure and service needs in a variety of sectors, ranging from environmental services to the provision of health care or education. This form of PPP is a Delegation of Public Service.

Public-Private Partnerships have existed in the international water sector for many years. Private sector concessions for the development and operation of water supply and treatment plants have been commonplace in France for at least forty years, leading to the growth of the large and diversified French private sector utility companies.

There are two principal models of intervention. The decentralised approach, as adopted by France, places responsibility at regional level and with the concerned line Ministries. Other countries, such as the UK and Ireland, have selected a more centralised approach by creating a single dedicated national PPP unit. Over the past twenty-five years, France has moved forward in a decentralisation process intended to shift new powers and responsibilities to local officials and sub-national levels of government. A PPP "*Ordonnance*" (edict) of June 2004[1] was ratified by the French parliament in December 2004, thereby creating a new form of contractual relationship ("*Contrat de Partenariat*") between the public and private sectors. Contracts before 2004 could assume other forms: the delegation contract and the public works contract.

[1] Edict No. 2004-559, 17 June 2004.

This new legal framework would improve the participation of the private sector in the infrastructure investments, because it is now possible to design more complex contracts. Therefore, in view of this new clearer legal framework and ongoing budget constraints and efficiency requirements, recourse to PPPs may increase in the future. It did not, however, develop the "partnership contracts" because the project would be exceptional, urgent and complex.

Public Transport faces a paradox: while its vital role in urban mobility is widely recognised, the financial resources allocated to its maintenance and development are scarce. Ensuring proper financial schemes is today vital not only for the development of public transport networks but also for sustainable development of cities and urban areas.

We will analyse the organisational architecture through the main actors. The organisation of the French system of urban transport is the result of a long historical period with the central issue of the State's role in public utilities. Our purpose is limited to obtaining a general overview of a complex system. We can say that it is a French model of urban services (Lorrain, 1992[2]). In a second stage the different forms of operating in urban transport show the possibility for the *"commune",* or municipality (local administration unit) to finance the need. Finally, we examine the regional analyses of transport.

## 1. The organisational architecture through the main actors

In France the authority organising urban transport (AOT) is a municipality authorised to organise urban transport in accordance with the framework law for internal transport (in French, LOTI: n°82-1153, 1982). The municipality carries out direct management (*"régie"*), or delegates to a private company. The French territorial division is the organising authority of extra-urban transport in their territory. The regions are the organising authorities of regional rail transport.

In Paris and the Ile de France region transport organisation works differently because it depends on the Decree of 14 November 1949 and on another authority, the STIF. The regional council now has the majority in the STIF whereas the State was formerly in the majority.

Apart from the suburban areas around Paris, 163 towns have delimited their areas of urban transport responsible for the organisation of

[2] **Lorrain, D., 1992,** "The French model for urban services". West European Politics, 2/1992. Oxford, 1991, pgs. 77-92.

public transport in these areas. There are also subordinate local organising authorities (AO2). Superposition of AOT on AO2 creates incoherence in travel coordination, frequency, fares, etc... The creation of a transport association could be a solution for these problems in the areas concerned. The various AOTs must delegate their competence to their territories.

The composition of the AOT in urban areas in 2003 was 41,9%[3] of conurbation area communities, 10.8% Communities and 10% *communes*.

## The internal transport laws

The responsibilities laid down by the law of 1982 - LOTI : *loi d'orientation pour les transports intérieurs* entitles everyone to use urban public transport and to choose from different means of transport. It also strengthens the public mission of urban transport service.

In France, boroughs towns also known as *communes* are small. Several towns grouped together make up what the French call an *agglomeration*. Only 21.2% of the urban organising authorities are *communes* working alone. The other urban organising authorities are mainly made up of several *communes*. The urban public transport is one of the most important topics of intercommunity cooperation, as also is the main water supply sector.

The main resource is the payment of transport tax by the employer (TTE)[4]. The employer pays TTE within the "public transport perimeter" according to a scale set by the local authority up to a maximum fixed by law. The calculation of this tax is based on the wage bill. These resources are combined with the subsidies from the communes and towns. The resources are directly allocated to transport.

The organising authorities set the tariffs, the prices being capped by the State. They also define transport policies and investment programmes.

Management of the public transport network is generally delegated to private enterprises, with the exception of RATP. This represents 90% of the organising authorities. The networks are otherwise run directly by the communes under the management contract. This is generally the case for small cities, with the sole exception of the big city that is Marseilles.

Decree No.2008-1501 relating to the refund of transport expenses to employees was published on 30 December 2008. The law generalises the employer's obligation to defray 50% of the cost of the season tickets for public transport or public utilities or bicycle hire. The procedures for the

[3] GART, 2002, Rapport sur le transport, http://www.gart.org/tele/chiffresref2002.pdf
[4] The TTE is a sort of transport tax (F: "*versement transport*").

repayment of public transport expenses can be traced back to rules today applicable to employers in the Ile-de-France. It also allows a partial coverage of the fuel costs for private passenger motor vehicles within the limits of 200 euros a year.

## 2. The different forms of urban transport operation

In most cases passenger transport executives, whether public or private, are big companies and few and far between. In the national transport sector there are three major operators: one public, two private. The market form is specific because characterised by a single operator by the *agglomeration*, with the option of contracting out part of its services.
It assumes direct operation under a management contract or a lease contract. The financial balance is struck with the TTE in their fiscal area the transport calculated in the wage bill.
In broad outline, management by local government or by groups of such authorities may be:

1. **Direct ("in-house") management of public transport**
   a. because the local government manages the provision on its own, downstream to upstream;
   b. or it assumes the service and concomitant risks, but can mix[5] with private contracts in conception, building, supply and/or services. In this case local government has good information regarding the service cost. Nevertheless, the informational advantage implies a short responsibility in exchange because the relationship is short-term. Furthermore there is no transfer of risk between the public partner and the private partner.

2. **Management by delegation contract**

Three main contracts may be identified according to the industrial and commercial risks:

- The management contract: The organising authority assumes all risks, even if the enterprise has a share in the profits;
- management with all-inclusive price: The enterprise assumes the essential industrial risk, but the organising authority assumes the commercial risk;
- management contract with financial compensation: both types of risks are assumed by the enterprise. The difference is that

[5] combination of in-house management contract and public contract.

the organising authority receives a commission over a limited set period of the contract.

3. **The "*contrat de partenariat*"** is a hybrid form.

The public partner seeks specific reliable information for the best provision of a service.

In recent years new contracts tend to be less and less management contracts. The new contracts are defined: management contracts with all-inclusive price with profit sharing in traffic resources. The offer and scheduled rates are fixed by the organising authority.

In the smallest towns the contract splits the risk differently. The enterprise assumes the risk with a subsidy. It is responsible for expenses and other commercial outgoings and for the balance of the budget. This contract implies the free tariff; the manager may receive financial compensation if he provides a public service (tariff or operation).

## 3. Regional analysis

Transport in the regions of France is very different from that in the Capital and in the rest of the country.

**Paris and Ile de France:**

The state-owned company, RATP has a monopoly and runs 75% of public transport in the city. 17% is supplied by the regional railway service, the rest being supplied by private enterprises (in the OPTILE group). OPTILE activities are concentrated in the fringe suburbs, outside Paris.

**Beyond Paris and Ile de France:**

Urban transport is carried by direct management contract to 10% and for the rest by delegation contract with licence from 4 to 7 years. The licence terms vary from one city to another.
The main players are:

- **Kéolis**, formed from the links established between VIA-GTI and the Cariane company in the SNCF subsidiary that holds 41% of the capital, and now manages 75 networks (e.g.: Lille and Lyon).
- **Véolia** (formerly Connex), the world leader in all means of transport.
- **Transdev**, which formed a partnership with local government within the framework of a mixed-economy company (SEM). It manages

networks in Nantes, Montpellier, Strasbourg, Mulhouse, Valenciennes, and more latterly in Oporto, Genoa Edinburgh, Madrid, Tenerife, etc.

- **Agir** is an independent transport association.
- The **SNCF** is a historical railway operator, also through subsidiaries such as Kéolis.
- The **RATP** statutes have changed to become a state-owned company with industrial and commercial activities by state decision. The enterprise wants to win the international market and to respond to an invitation to call for tender, but European regulation will impose the choice between monopoly and the possibility of setting up as a supplier on the international market.

**TABLE 1: TRANSPORT SECTOR SHARE IN NUMBER OF NETWORKS AND IN NUMBER OF JOURNEYS 2002 AND 2008**

| | KEOLIS | | VEOLIA | | TRANSDEV | | AGIR | | OTHERS | |
|---|---|---|---|---|---|---|---|---|---|---|
| | **2002** | **2008** | **2002** | **2008** | **2002** | **2008** | **2002** | **2008** | **2002** | **2008** |
| **Share by number of networks (%)** | 30 | 27 | 25 | 27 | 19 | 17 | 9 | 12 | 17 | 19 |
| **Share by number of journeys (%)** | 40 | 39 | 18 | 22 | 25 | 22 | 12 | 10 | 5 | 7 |

Source: GART, 2002, 2007, 2008, Rapports sur le transport,
http://www.gart.org/tele/chiffresref2002.pdf, pg. 5.
http://www.gart.org/tele/chiffresref2008.pdf, pg. 10.

## TABLE 2: SUPPLY AND DEMAND IN MEANS OF TRANSPORT

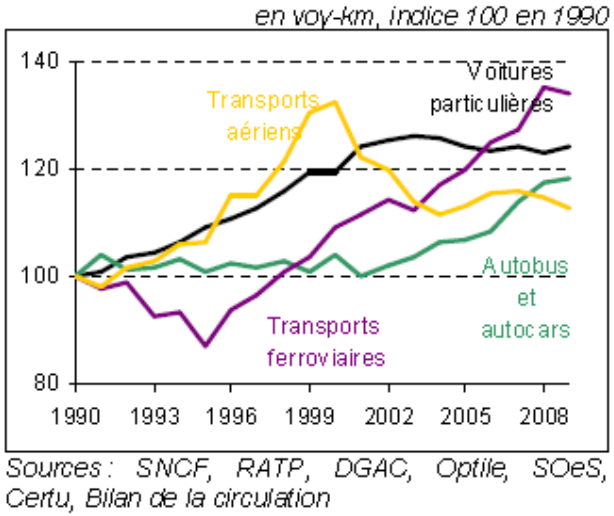
**TABLE A**

| | Coach | Bus | Railway transport | Air transport | All |
|---|---|---|---|---|---|
| | % | % | % | % | In thousand-million passenger-miles |
| **1988** | 81.8 | 6.1 | 10.6 | 1.4 | 680.0 |
| **1989** | 82.0 | 5.8 | 10.6 | 1.6 | 695.7 |
| **1990** | 82.2 | 5.8 | 10.4 | 1.6 | 712.2 |
| **1991** | 82.3 | 6.0 | 10.1 | 1.6 | 718.3 |
| **1992** | 82.7 | 5.7 | 10.0 | 1.7 | 733.2 |
| **1993** | 83.3 | 5.7 | 9.3 | 1.7 | 733.8 |
| **1994** | 83.4 | 5.7 | 9.2 | 1.7 | 747.6 |
| **1995** | 84.3 | 5.5 | 8.5 | 1.7 | 758.9 |
| **1996** | 83.9 | 5.5 | 9.0 | 1.7 | 773.9 |
| **1997** | 83.9 | 5.3 | 9.1 | 1.7 | 786.0 |
| **1998** | 83.8 | 5.2 | 9.2 | 1.7 | 809.4 |
| **1999** | 84.0 | 5.0 | 9.2 | 1.8 | 832.7 |
| **2000** | 83.4 | 5.1 | 9.6 | 1.8 | 838.5 |
| **2001** | 84.1 | 4.8 | 9.5 | 1.6 | 865.4 |
| **2002** | 83.9 | 4.8 | 9.7 | 1.6 | 873.9 |
| **2003** | 84.2 | 4.9 | 9.5 | 1.5 | 877.4 |
| **2004** | 83.7 | 5.0 | 9.8 | 1.4 | 880.3 |
| **2005** | 83.3 | 5.0 | 10.2 | 1.5 | 873.0 |
| **2006** | 82.9 | 5.1 | 10.5 | 1.5 | 873.4 |

Sources: MEDAD/SESP; UTP; RATP; DGAC.

**TABLE B: URBAN/REGIONAL TRANSPORT TRENDS (IN PERCENTAGE AND G VOY-KM)**

| | 2006 | 2007 | 2008 | 2009 | Volume 2009 |
|---|---|---|---|---|---|
| **COACHES** | -0.5 | 0.6 | -1.1 | 1.0 | 727.6 |
| **PUBLIC TRANSPORT** | 3.2 | 2.8 | 4.6 | -0.4 | 160.9 |
| **BUS INCLUDING RATP** | 1.6<br>0.2 | 5.0<br>1.1 | 3.1<br>6.7 | 0.8<br>-1.2 | 48.8<br>3.0 |
| **RAILWAY TRANSPORT** | 4.1 | 2.1 | 6.1 | -0.7 | 99.2 |
| **AIR TRANSPORT** | 2.2 | 0.3 | -1.0 | -1.8 | 12.9 |
| **TOTAL** | 0.0 | 0.9 | 0.1 | 0.8 | 888.5 |




Sources: MEDAD/SESP; UTP; RATP; DGAC.

The use of the coach has been decreasing since 2001 with a slight increase of bus and railway transport. Overall demand is in increasing but has been slowing down since 2005.

Internal public passenger transport increased in 2009 (+ 0.8%) after a lacklustre 2008 (-0.1%). Unlike previous years, the evolution of mobility was marked by the recession of public transport. Rail transport (especially the HST network and "main line" railways) slipped back for the first time. Coach traffic and, to a lesser extent, group road traffic, accounted for the increase of passenger transportation. Coach traffic increased again. Coach traffic increased by 1.0%. This trend was carried by the increase of the average route as by the strong particular progress of the coach fleet (in particular diesel, +4.8%). Government measures (bonus) in the scrapping and bonus-surcharge supported the growth of the fleet and replacement in 2009 of once generally less-used vehicles by new coaches.

**Sources of finance of Urban Public Transport**

The financing of mass urban transport is possible with the transport tax charged to the employer (TTE) in combination with subsidies from the *communes* and towns. Mass urban public passenger transport is the most subsidised because user receipts represent one third of total expenditure[6].

The State has unilaterally reduced its contribution to the creation of new mass transport. Its involvement represents 1% to 3% of the financing sources (see Table 2). The new strategic orientations since 2004 changed the financing system of urban public passenger transport with the withdrawal of investment. Local governments tried to raise other sources of finance: direct taxation, price setting or the TTE, accounting for an average of 48% of the financial sources. The commercial contribution covers approximately one quarter of the financing requirements.

[6] **CNT, 2005,** Bulletin Transport/Europe, No. 19, see www.cnt.fr, last consultation 29 September 2007.

**TABLE 3: SHARE OF DIFFERENT FINANCING SOURCES IN URBAN PUBLIC TRANSPORT IN 2002 AND 2005**

| | State | Local Government | TTE | Commercial receipts |
|---|---|---|---|---|
| **Town with urban transport in bus lane** | 3%→4% | 34%→35% | 44%→43% | 19%→21% |
| **Town with over 100 000 inhabitants** | 3%→0.002% | 21%→25% | 51%→53% | 24%→22% |
| **Town with fewer than 100 000 inhabitants** | 1%→0.001% | 26%→32% | 50%→49% | 23%→19% |

Source: GART, 2007, Rapport sur les transports, http://www.gart.org/tele/chiffresref2007.pdf, p. 9.

Between 2002 and 2005, the participation of the State decreased due to changes of direction in the Budget. The main contribution remains the payment transport with a greater effort of local authorities.

One possibility for the organising authorities is concession duration and credit conditions (for example: the European Investment Bank (EIB)). After different tramway projects we can note a preference for bus service, with high quality of service.

Price rates at European level are represented by the following graph taken from the GART report (2007, pg. 30). France generally remains below the European average: the price of the single ticket is € 1.31 against € 1.49. London is the most expensive, charging a single fare of € 4.5.

**TABLE 4: RATES IN EUROPEAN CITIES IN 2006 (EUROS)**

| City | Fares for one ticket | Monthly subscription | City | Fares for one ticket | Monthly subscription |
|---|---|---|---|---|---|
| Athens | 1.00 | 38.00 | Nantes | 1.30 | 39.80 |
| Barcelona | 1.20 | 42.75 | Orléans | 1.30 | 34.60 |
| Berlin | 1.20 | 67.00 | Oslo | 2.45 | 88.50 |
| Brussels | 1.50 | 38.00 | Paris | 1.40 | 52.50 |
| Budapest | 0.70 | 26.90 | Prague | 0.70 | 16.50 |
| Geneva | 1.25 | 44.00 | Rennes | 1.10 | 34.20 |
| Glasgow | 1.50 | 41.40 | Rome | 1.00 | 30.00 |
| Helsinki | 2.00 | 40.90 | Rouen | 1.40 | 41.50 |
| Lausanne | 1.50 | 36.50 | Stockholm | 2.20 | 66.20 |
| Lisbon | 1.10 | 26.15 | Strasbourg | 1.30 | 38.50 |
| London | 4.50 | 126.50 | Toulouse | 1.30 | 35.00 |
| Luxembourg | 1.50 | 22.50 | Valenciennes | 1.40 | 34.30 |
| Lyon | 1.50 | 46.50 | Warsaw | 0.60 | 16.80 |
| Madrid | 1.00* | 39.00 | Vienna | 1.50 | 45.00 |
| Marseilles | 1.70 | 41.00 | Nancy | 1.20 | 31.00 |
| **EU average** | **1.49** | **44.86** | **Average France** | **1.31** | **38.16** |

Source: GART, 2008, Rapport sur les transports, http://www.gart.org/tele/chiffresref2008.pdf, p.30.

**TABLE 5: NUMBER OF WORKERS IN THE TRANSPORT SECTOR** (thousands)

| | **1998** | **2003** | **2004** | **2005** | **2006** | **2007** | **2008** | **2009** | **Evolution 1998/2009** |
|---|---|---|---|---|---|---|---|---|---|
| National Firms | 214.1 | 215.8 | 211.9 | 208.4 | 207.1 | 203.6 | 202.7 | 199.7 | -6.73% |
| * SNCF | 174.4 | 172 | 167.9 | 164.3 | 162.8 | 159.2 | 157.8 | 155.1 | -11.07% |
| * RATP | 39.7 | 43.8 | 44.0 | 44.1 | 44.4 | 44.4 | 44.9 | 44.6 | 12.34% |
| Private Firms | 677.6 | 793.7 | 801.7 | 807.2 | 816.1 | 845.8 | 854.0 | 836.1 | 23.39% |
| Passengers Road/ Urban Transport | 121.6 | 140.5 | 143.4 | 145.9 | 144.8 | 150.7 | 154.1 | 158.9 | 30.67% |

Sources: SOeS, Pole Emploi, ACOSS, SNCF, RATP.

The salaried staff of the big state-owned companies decreased between 1998 and 2009 and represent about one third of those in the private sector. The staff of private enterprises increased by 23% and that of the public sector decreased by almost 7%. The movement of staff in road transport is largest of all at 30%.

The average age is 44.5 years and about 39% of the employees work under part-time contract (MEEDDAT 2008, pg. 22). Staff turnover is high (29.8%) compared with 19.7% for industry and 23.6% for construction. However, it remains lower than that for the services sector (53.9%).

The social report of 2008 indicates that the average wage of full-time employees reached € 20 005 in 2006. This is 11% less than the average for employees in the whole transport sector, namely € 22 577.

The decline of employment in the transport sector would be 2.0% at the end of 2009, that is 21 000 jobs lost compared with the end of 2008. Freight would shed 18 000 jobs, that is -5.0%. Such a recession had not been known for at least ten years. Employment also fell in the SNCF and in the airlines, tending to stagnate for the RATP. However, employment in passenger road transport continued to progress (+3.1% in 2009 as against +2.2% in 2008).

**TABLE 6: OVERVIEW OF MANAGEMENT ACCOUNTING**

| | 1997 | 1999 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2006/1997 |
|---|---|---|---|---|---|---|---|---|---|
| **Turnover** | 3 227 387 | 3 288 319 | 3 679 009 | 3 774 920 | 4 316 767 | 4 595 272 | 4 911 522 | 5 171 733 | **60.25%** |
| **Added Value (AV)** | 2 048 859 | 2 081 135 | 2 304 923 | 2 378 048 | 2 705 246 | 2 831 559 | 2 974 879 | 3 164 687 | **54.46%** |
| **Gross Operating Surplus (COS)** | 629 433 | 611 022 | 663 023 | 648 586 | 780 564 | 787 938 | 775 077 | 850 287 | **35.09%** |
| **AV/TO** | 63% | 63% | 63% | 63% | 63% | 62% | 61% | 61% | |
| **GOS/AV** | 31% | 29% | 29% | 27% | 29% | 28% | 26% | 27% | |
| **intermediary consumption** | 1 583 083 | 1 635 889 | 1 851 968 | 1 892 568 | 2 230 493 | 2 348 869 | 2 550 953 | 2 606 368 | **64.64%** |
| **total wage bill** | 1 287 995 | 1 333 966 | 1 494 150 | 1 576 892 | 1 731 620 | 1 828 018 | 1 964 026 | 2 050 180 | **59.18%** |
| **taxes** | 139 670 | 153 900 | 171 129 | 183 608 | 217 518 | 235 866 | 263 793 | 278 183 | **99.17%** |
| **financial costs** | 53 967 | 55 145 | 101 401 | 100 143 | 149 021 | 116 703 | 92 224 | 56 339 | **4.40%** |
| **depreciation** | 241 717 | 251 401 | 269 982 | 276 893 | 302 952 | 314 155 | 302 387 | 297 445 | **23.06%** |
| **investments** | 277 519 | 314 871 | 355 720 | 324 132 | 387 797 | 340 090 | 388 842 | 396 350 | **42.82%** |
| **gross value of fixed assets (GVFA)** | 2 561 276 | 2 694 169 | 2 983 397 | 2 976 295 | 3 204 965 | 3 306 651 | 3 359 125 | 3 220 256 | **25.73%** |
| **workforce** | 52 474 | 54 698 | 59 785 | 61 357 | 64 019 | 65 350 | 65 344 | 67 080 | **27.83%** |
| **AV/workforce** | 39.00 | 38.00 | 38.60 | 38.80 | 42.30 | 43.30 | 45.50 | 47.20 | |
| **AV/GVFA** | 7.40 | 6.60 | 6.50 | 7.30 | 7.00 | 8.30 | 7.70 | 8.00 | |

Sources: MEEDDAT/SESP - EAE, 2010.

Between 1997 and 2006, the turnover of companies in the transport sector increased 60%, less rapidly than intermediate consumptions (64.64%), which limited the advance of Added Value (AV) at 54%. The cost structure is the same. On average the workforce represents 38%. The balance generated by current activity because of its exploitation progressed by only 35%, a sign that the profitability of the sector was decreasing as taxes, payroll … were increasing. In fact, the part of the turnover creating the added value slipped from 63% to 61%. The added value fraction did not stop growing, moving from 39% to 47.2%. This explains the increase of visible work productivity.

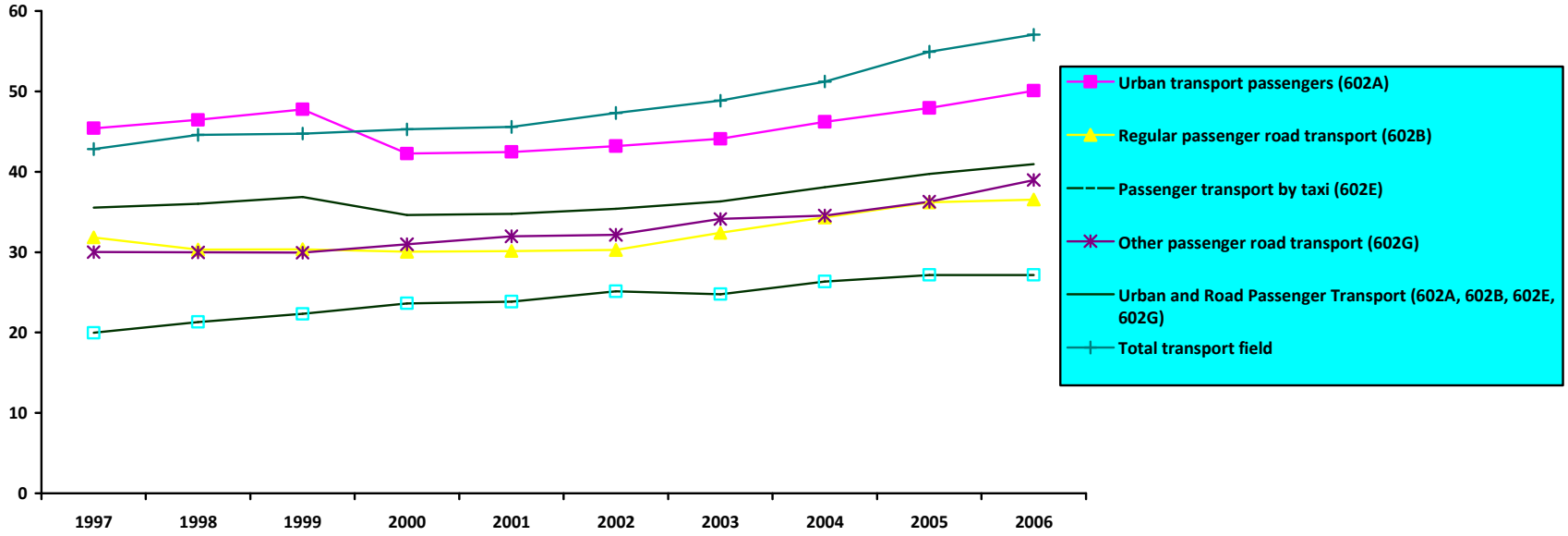
Taxes represent between 4% and 5% of the costs, and depreciation between 8% and 9%. The visible productivity of investments (AV / GVFA) increased at a comparable rate over that period.

## TABLE 7: WORK PRODUCTION EFFICIENCY (VALUE-ADDED / HOURS WORKED)

| | Employees | 2006 | 2005 | 2004 | 2003 | 2002 | 2001 | 2000 |
|---|---|---|---|---|---|---|---|---|
| **Transports urbains de voyageurs (602A)**<br>**Urban passenger transport** | (10 to 49) | 33.22 | 32.15 | 33.31 | 32.17 | 31.35 | 30.39 | 30.1 |
| | (50 to 249) | 34.83 | 34.87 | 34.1 | 31.28 | 31.99 | 30.52 | 30.14 |
| | (250 and more) | 52.54 | 49.14 | 47.48 | 45.56 | 44.59 | 44.06 | 44.3 |
| | **Group** | **50.09** | **47.94** | **46.23** | **44.12** | **43.22** | **42.49** | **42.26** |
| **Transports routiers réguliers de voyageurs (602B)**<br>**Regular passenger transport** | (10 to 49) | 39.53 | 37.69 | 36.27 | 33.75 | 30.9 | 30.08 | 29.19 |
| | (50 to 249) | 37.83 | 36.55 | 34.55 | 33.36 | 32.02 | 31.54 | 30.62 |
| | (250 and more) | 32.36 | 34.5 | 33.22 | 30.2 | 29.22 | 29.26 | 30.19 |
| | **Group** | **36.55** | **36.22** | **34.36** | **32.4** | **30.3** | **30.17** | **30.06** |
| **Transports de voyageurs par taxis (602E)**<br>**Taxi transport passengers** | (10 to 49) | 35.07 | 40.43 | 38.31 | 29.72 | 28.18 | 28.9 | 28.42 |
| | (50 to 249) | 56.43 | 58.93 | 56.29 | 54 | 55.01 | 39.88 | 44.76 |
| | (250 and more) | 0 | 0 | - | - | - | - | - |
| | **Group** | **27.18** | **27.19** | **26.36** | **24.8** | **25.15** | **23.84** | **23.66** |
| **Autres transports routiers de voyageurs (602G)**<br>**Other passenger road transport** | (10 to 49) | 40.86 | 36.89 | 35.94 | 35.04 | 33.72 | 33.13 | 30.58 |
| | (50 to 249) | 40.46 | 39.12 | 34.59 | 35.14 | 34.05 | 32.83 | 35.31 |
| | (250 and more) | 27.44 | 29.58 | - | - | - | - | - |
| | **Group** | **38.99** | **36.28** | **34.54** | **34.15** | **32.15** | **31.99** | **31** |
| **Transports Urbains et Routiers de Voyageurs (602A 602B 602E 602G)** | (10 to 49) | 38.82 | 37.23 | 36.15 | 33.64 | 31.53 | 30.91 | 29.63 |
| **Urban Passenger Road Transports** | (50 to 249) | 37.61 | 36.69 | 34.65 | 33.3 | 32.48 | 31.52 | 31.08 |
| | (250 and more) | 49.36 | 46.91 | 45.37 | 43.45 | 42.53 | 41.99 | 42.32 |
| | **Group** | **40.95** | **39.73** | **38.08** | **36.32** | **35.41** | **34.8** | **34.63** |
| **Total Transport** | (10 to 49) | 44.73 | 42.91 | 42.94 | 41.1 | 40.59 | 39.13 | 37.1 |
| | (50 to 249) | 45.91 | 44.12 | 42.73 | 40.49 | 39.92 | 39.11 | 31.03 |
| | (250 and more) | 69.94 | 66.29 | 60.31 | 57.23 | 54.62 | 52.88 | 55.16 |
| | **Group** | **57.05** | **54.95** | **51.24** | **48.86** | **47.32** | **45.58** | **45.29** |

Source: MEEDDM/CGDD/SOeS

**FIGURE 1: EVOLUTION OF PRODUCTIVITY (1997-2006) IN FRANCE**




Source: MEEDDM/CGDD/SOeS

Generally speaking, the visible productivity of work increased between 1997 and 2007, all the more so since the structure is very extensive.

## 4. Conclusion

The PPP is a form of contracting in many sectors in France, but its share for financing activities is not overdeveloped, as in the British case (approximately 15% of public investment).

PPPs seem to be better at providing incentives for life-cycle cost savings than traditional public procurement. However, it is important to make sure that cost-cutting does not lead to quality-cutting. The division of risks, in turn, may become a source of inefficiency if it fails to allocate each risk to the partner best able to manage or bear it. And, finally, the fact that the partnership requires the establishment of a long-term contract with a high degree of incompleteness imposes a significant cost. Competition is one of the main arguments for getting "*best value for money*"[7] in public-private partnerships.

Beyond moving people from one point to the other, public transport plays a decisive role in ensuring the economical vitality of urban areas and cities. It helps to maintain and/or develop social inclusion for the most vulnerable citizens. This includes not only the less well off but also the elderly, children and persons with disabilities. For them, public transport is the only network that can guarantee proper access not only to employment but also to basic health, educational and leisure services. Social, territorial and economic cohesion is the main European and national objective for the new century alongside sustainable development.

In France, the new sectors were investigated for new PPPs. Particular interest has been shown in the health and prison sectors, with a major PPP programme for 18 prisons with a total expected investment of €1 billion, currently under procurement. A €5 billion hospital renovation programme, "Hôpital 2007" was launched, a substantial part of which is expected to be procured using a PPP model. Over 15 units with a total value of almost €1 thousand million are already under procurement using PPP-type structures and 12 further projects have been announced. The central government also estimates that some €19 billion in investment could be allocated to PPP projects over the next three years.

Before turning to per-city analysis, we present a table showing the *per capita* ratios served on a panel of 133 networks identified by UTP (Union of Rail and Public Transportation, 2008, the trade association for urban transport. This panel represents over 90% of the transport offer.

[7] The principle of "*best value for money*" is a reference to the British PPP contract. The discussion is now on different calculations methodologies.

**TABLE 8: *PER-CAPITA* RATIOS**

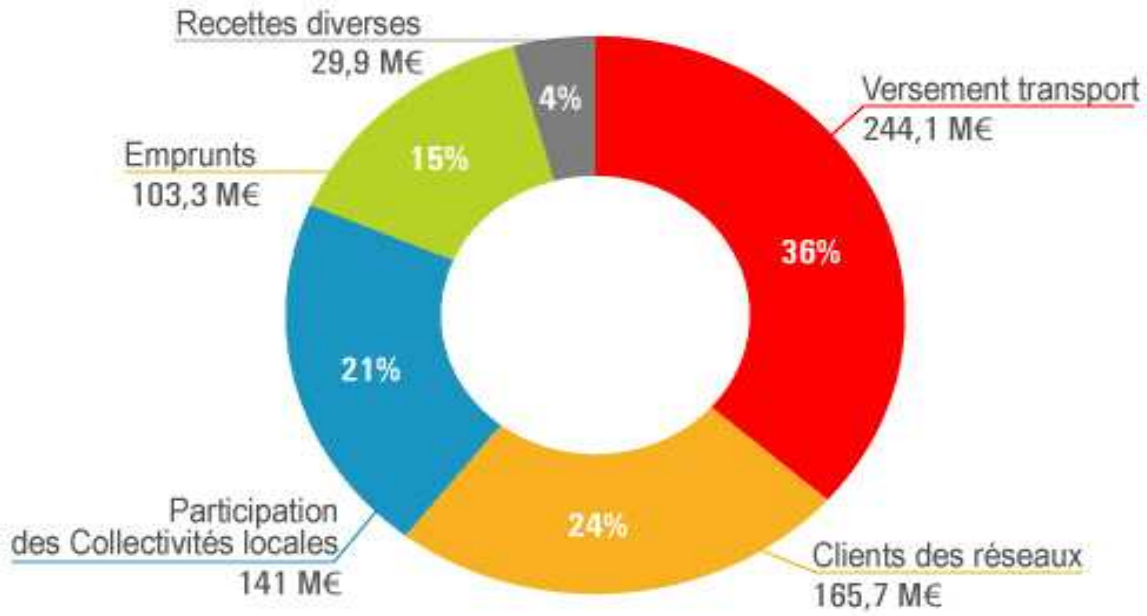
| | ***Km*** | ***Voyage per capita*** | ***Travel per km*** | ***Km per employee*** | ***Revenue per trip (current €)*** | ***Expenditure per trip (current €)*** | ***Expenditure per km (current €)*** | ***Coverage rate of expenditure*** |
|---|---|---|---|---|---|---|---|---|
| ***+250 000 inhab.*** | 33.5 | 149 | 4.4 | 12 675 | 0.53 | 1.26 | 5.8 | 42.0 |
| ***[100 000, 249 999]*** | 30.3 | 73 | 2.4 | 16 616 | 0.49 | 1.68 | 4.09 | 29.1 |
| ***[0, 100 000].*** | 18.5 | 41 | 2.2 | 18 146 | 0.40 | 1.52 | 3.35 | 26.3 |
| ***Average province*** | 29.7 | 108 | 3.7 | 14 033 | 0.51 | 1.35 | 4.93 | 38.0 |

**ANALYSIS BY CITY**

| LYON | |
|---|---|
| | |
| **Organisational forms** | 78% of AOTU decided to take the DSP (Public service delegation) to operate their urban transport network to Kéolis Union Joint Transportation for the Rhône and Greater Lyon in 2010.<br>(http://www.sytral.fr/193.0.html)<br>613 km ², 64 communes, 1 330 000 persons<br>SYTRAL owns the rolling stock (vehicles) and all network infrastructure (tunnels, depots, etc.). |
| Supply and demand | Demand trend per mode (total of pax km and % single mode)<br>Trends of seats-km (or veh-km) for each mode<br>Total length of public transport |
| Efficiency | According to GART (2008):<br>for an agglomeration of more than 450 000 inhabitants the average production cost is € 6.2 (with a minimum of € 4.9 and a maximum of € 9) |

Financial coverage

- Receipts




Source : http://www.sytral.fr/233.0.html

1. **36% funding supported by business and government (244.1 million euros).**

Through the transport of their personnel, enterprises are indirect beneficiaries of public passenger transport services. They thus contribute to its funding through payment of the transportation fee paid by private and public employers with more than nine employees and included on the payroll. This important source of transportation funding is directly affected by the economic crisis.

2. **24% funded by clients of the TLC, good for 165.7 million euros.**

Without other sources of revenue the ticket price might reach € 5.40 (€ 1.60today) to cover all expenses related to transportation

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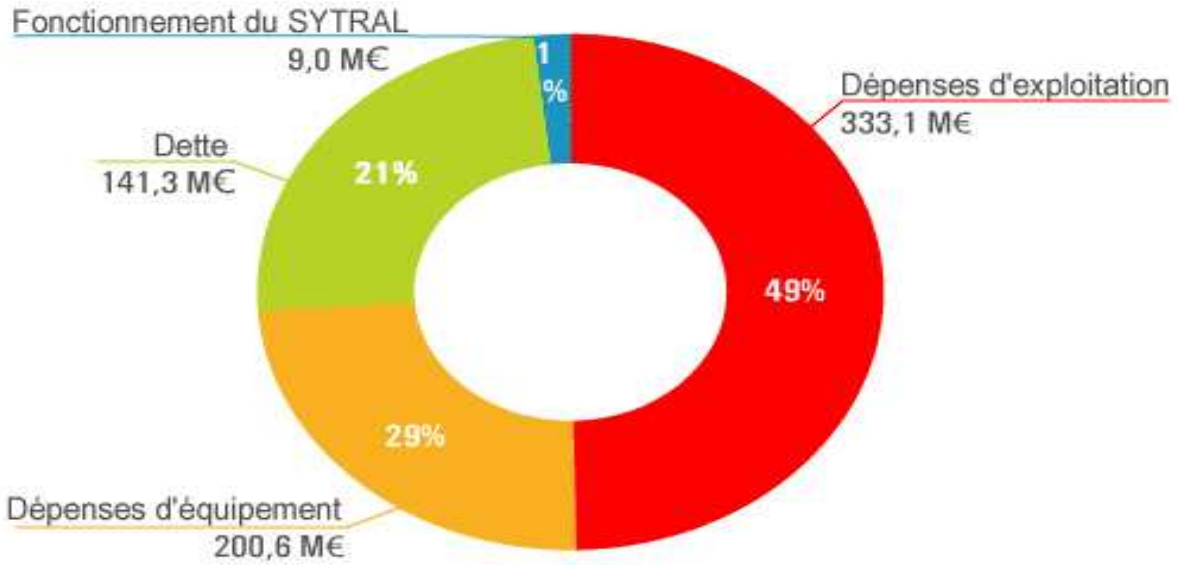
| EXPENDITURE | **3. 21% from the Rhône General Council and Greater Lyon (141 million euros).**<br>The local authorities and the agglomeration community participate in the development of public transport.<br>**4. The loan represents 15% of investment financing, or 103.3 M €.**<br>The loans are a necessary complement to investment financing. They are granted after extensive consultation with banks.<br>**5. 4% from miscellaneous income, 29.9 million euros.**<br>This consists mainly of Global Staffing and Decentralisation and rents from leased and commercial properties.<br>  <br><br>Source: http://www.sytral.fr/233.0.html |

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| | **1. 49% due to weight of network operating costs: 333.1 million euros.**<br>The low-discount charges balance the costs of extensions to tender (T4 tram, full-year impact).<br>**2. 29% of expenditure spent on equipment: 200.6 million euros.**<br>The budget implementation takes into account capital expenditure plans mandated in 2002 and 2009, renovation of operating equipment (buses, trolleybuses, next-generation metro trains A, B, C), maintaining the heritage of operation, renewal of rolling stock, maintenance work and administrative offices.<br>**3. 21% used to repay debt, or 141.3 million euros.**<br>**4. 1% allocated to the operation of SYTRAL, 9 million euros.**<br>This corresponds to expenses related to the administration of SYTRAL. |

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| Affordability and social accessibility | Pass Partout (monthly season ticket) € 47.30<br>Special fares for transport disadvantages (students, senior citizens, disabled): typologies, % of effective users involved<br>• City Pass (monthly season ticket with automatic payment): € 45.00<br>• Campus / Pass Jeunes (monthly season ticket for students and young people): € 31.50<br>• Campus boursiers (monthly season ticket for "grand scholarship" students): € 25.10<br>• Cigogne (large families) / Âge d'Or (senior citizen's pass): € 33.90<br>• Pass 2 Partout (unemployed persons) : € 8.20<br>• Full-price monthly school pass: € 21.00<br>• Reduced-price monthly school pass: € 14.50<br>• Senior Avantage monthly: € 3.80€<br>• Single ticket: € 1.60<br>• Two-hour Night Pass: € 2.20<br>• Day Pass: € 4.40<br>• Weekly pass: € 14.80<br>• 10 tickets (*simples*): € 12.80<br>• 10 student tickets (*simples*): € 11.10<br>• 10 large-family tickets: € 8.80 |

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| | Physical accessibility:<br><br>In total, the findings of the Master Plan for TCL Network Accessibility in January 2005 establish that 30% of the population experience difficulty when attempting to access urban passenger transport. SYTRAL has conducted a proactive policy for several years now, led by high investment spread over different modes and responding to different needs:<br><br>• systematic creation of lifts for metro,<br>• provision of new buses and trolley buses with dropped floors and pallet shrink,<br>• systematic implementation of audio ads and scrolling banners in trams,<br>• continuous improvement of signs,<br>• creation of platforms suitable for PMR gates on the D line subway,<br>• publication of an accessibility guide in 2007 (available in Braille).<br><br>**The rate increase, on the basis of changes in the price index, was resumed in 2003, control of access to underground stations (completed in late 2007) and the front door mounted in the bus (2006) have a revenue gain continued for 6 years. The ticket unit would fall to € 5.40 (€ 1.60 today) to cover all expenses related to transportation.** |
| | The Act of February 11, 2005 set a deadline of 10 years for organising authorities for access to transport networks.<br><br>1. An estimated 30% of the population is now facing difficulties to travel temporarily or permanently:<br>2. The elderly,<br>3. Parents with pushchairs,<br>4. Persons with permanent or temporary disabilities,<br>5. The visually impaired. |

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| Territorial accessibility | **The network: 4 subway lines - 2 funicular lines - 4 tram lines - 97 bus lines - 7 trolleybus lines - 106 scheduled school services. 1.4 million trips every day.**<br><br>Total length of the network is 73.1 km.<br><br>**The subway network in figures**<br>• - 708 232 passengers / day<br>• - 4 lines<br>• - 178 metro cars<br>• - 6 funicular cars<br>• - 42 stations<br>• - 30.5 kilometres<br><br>**The tram network**<br>• 33.5 million passengers / year<br>• - 3 lines<br>• - 58 trams<br>• - 59 stations<br>• - 39.6 kilometres<br>• - 9 Park & Ride facilities<br><br>**The bus and trolley network:**<br>- 552 900 passengers a day<br>- 127 trolleybuses<br>- 873 heated buses |

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| Quality | Some figures may help to review the current situation:<br>• 75% of workers and employees in *Grand Lyon* use the car to get to work.<br>• The walks to school has reduced: in 1976, 84% of children aged 5 to 9 years walked to school compared with only 63% twenty years later.<br>• Average car occupancy has decreased over the years: in 1995, three out of four cars had ony one occupant.<br>• In Lyon the car travel speed is 17 km/h for the internal urban cycle. This is slower than the underground (25 km/ h for the A and B,<br>29 km h for the D line) or even the tram (18 km/h).<br><br>**The power supply vehicle**<br>The TCL fleet focuses on electricity. Thus 60 underground trains, 47 trams, 102 trolleybus and 5 minibuses run on electricity. In total, the fleet park has over 250 electric vehicles carrying 70% of RCL travellers TCL by clean energy.<br>**Equipment buses and trolleybuses thermal**<br>To reduce emissions of greenhouse gas emissions, all heat-emitting vehicles (buses, trolley buses) are equipped with catalytic converters and particulate filters and run with diesel desulphurisation. A total of 420 buses are so equipped, representing 56% of the surface vehicles.<br><br>85 km of reserved lanes<br><br>Consumer satisfaction and complaints (%)<br>The quality indices include: cleanliness, information, availability, hospitality, driving skills, regularity, production, environment, fare-dodging and certification. |

Cities of less than 50 000 people have easier recourse to direct procurement and management. If the town has a very intense activity in services, it will also have some diversity in the choice of type of public service provision: Toulouse: direct control with financial autonomy, Marseilles (direct control) and Clermont-Ferrand (public contract).

# ROUEN

**City of less than 100 000 inhabitants, but part of an *agglomeration*.**

| | |
|---|---|
| **Organisational forms** | Transit Greater Rouen TCAR is a subsidiary of Veolia Environnement. Under a public service delegation contract (1994 to 2015) it runs the transport network of the Community of Agglomeration of Rouen. The TCAR's mission is to maintain and operate the network, sell tickets and provide expertise for the further improvement and development of the network.<br>Following the merger of the Communities of Greater Rouen, Elbeuf, the Communities of Seine-Austreberthe and treatment / Yainville, CREA (*Community Rouen Elbeuf Austreberthe*) was born on 1 January 2010.<br>The first agglomeration community of France - including 71 municipalities and nearly 500 000 inhabitants - CREA includes many skills: organisation of public services (urban transport, water, sanitation, waste), the development of the attractiveness of the territory, spatial and political solidarity. |
| Supply and demand | Demand trend per mode (total pax km and % single mode): km trains per year: 1.4 million.<br>• The conventional bus system bus runs 85 000 trips per day ehkm: 1.81<br>• The tram network runs 60 000 trips per day eh-km: 10.66<br>• Network Transport East West Rouen (TEOR) represents 35 000 trips per day eh-km: 4.41. |
| Efficiency | Unita (x veh-km or x seat-km) production costs: operating costs for TCSP 4.6 € ht/km (2006)<br>Revenues from fares x veh-km or x seat-km<br>Public subsidy x veh-km<br>Veh-km/employee |
| Financial coverage | Public service delegation |

<table>
<tr>
<td>Affordability and social accessibility</td>
<td>Special fares for transport disadvantages (students, senior citizens, disabled): typologies of effective users involved:
<ul>
<li>one ride: € 1.40</li>
<li>10 rides: € 11</li>
<li>student: 10 rides: € 6.50</li>
<li>senior citizen: 20 rides: € 8.30</li>
<li>unemployed: 50 free rides and subsidies on the following</li>
<li>tariffs group depending on age and number of passengers:</li>
</ul>
<table>
<tr><th>Pupil/student (number of)</th><th>One way</th></tr>
<tr><td>9 - 15.</td><td>€6</td></tr>
<tr><td>16 - 20</td><td>€7</td></tr>
<tr><td>21 - 25</td><td>€8.50</td></tr>
<tr><td>26 - 30</td><td>€9.50</td></tr>
</table>
<table>
<tr><th>Other group (number of persons)</th><th>Return trip</th></tr>
<tr><td>9 - 15</td><td>€16</td></tr>
<tr><td>16 - 20</td><td>€20</td></tr>
<tr><td>21 - 25</td><td>€24</td></tr>
<tr><td>26 - 30</td><td>€28</td></tr>
</table>
PHYSICAL ACCESSIBILITY:<br>
The METRO /<br>
The metro is 29.40 m long and has low floors (17.85m), 60% of stations are equipped with ramps, lift and, guide floor discs for the blind and visually impaired. The surface stations are also equipped with dynamic displays that can broadcast remote-controlled audio information for the visually impaired or the blind.</td>
</tr>
</table>

| | |
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| | Two metro lines, with 28 subway trains, with a length of 29.40 m, with 31 stations of a platform length of 60m (including 5 underground). The offer is about 250 turn-arounds per day, with 15.6 million trips per year (2008).<br><br><u>The BUS /</u><br><br>The 45 municipalities are served by 73 buses / taxis with regular routes, school runs and taxis for trips to lower attendance:<br>• number of lines: 41 (including 8 taxi lines) 30 lines + school<br>• total length: 494 km<br>• service speed 16.90 km / h<br>• number of stops: 1 650 points (both directions combined) or 882 breakpoints<br>• number of buses: 211 (147 standard + 48 + 16 articulated dropped-deck)<br>• number of trips: 18.084 million (lines included school + taxi)<br>• kms travelled: 9.984 million<br>• V/K: 1.81 passengers/km<br><br>High service-level buses (Rapid Transit) has 3 lines of 37.6 kilometres with 52 stops and 40 000 trips per day. (TEOR)<br>• a service speed of 16.85 km / h<br>• number of lines: 3<br>• total length: 25.6 kilometres<br>• number of stations: 41<br>• number of vehicles: 38<br>• number of trips: 6 772 million<br>• kms travelled: 1 576 million<br>• number of landings using optical guidance: 1 253 million / year<br>• V/K: 4.30 passengers/km |

| | |
|---|---|
| Territorial accessibility | Total length of the network: 534.7 km<br><br>13 853 million km were driven in 2008: underground 1.5 million, TEOR lines 2.5 million and bus 9.5 million in 364 days of service (network vehicles do not run on 1 May. |
| Quality | Consumer satisfaction and complaints (%):<br><br>54% of customers are "very satisfied" with the service. (Ipsos Survey 2009).<br>The criteria of welcome quality were measured by the company Effia; and regularity criteria, information to the decision, in tandem TCAR / Agglo. Initial results are good for welcome quality, with 92% of measurements at least 95% of line items for home drivers and 86% of measurements at least 95% of line items for the home in commercial spaces.<br><br>Clean bus fleet (%)<br>Buses running on Diester: 164 (53.8% of total fleet)<br>Maintenance of optical guidance systems and TEOR schedules (passenger information)<br>Buses and coaches running on desulphurised TEOR diesel: 85 (27.8%)<br>Underground trains running on electric power: 56 stops (18.4%)<br>service speed 19.02 km/h |

Nota Bene:

It was difficult to find cities managing only their urban transport ... Greater Lyon and Rouen were chosen as they often fall into agglomeration community in order to negotiate more easily with private providers.

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Université de Liège au Sart-Tilman
Bât. B33 - bte 6
BE-4000 Liège (Belgium)

Tel. : +32 (0)4 366 27 46
Fax : +32 (0)4 366 29 58
E-mail : ciriec@ulg.ac.be
http://www.ciriec.ulg.ac.be