

Funding opportunities of integrated public transport – approaches from Germany

Key-note speech at the croatian pro-rail alliance conference
"Public passenger transport in role of Regional Development"

Zagreb, March 2015

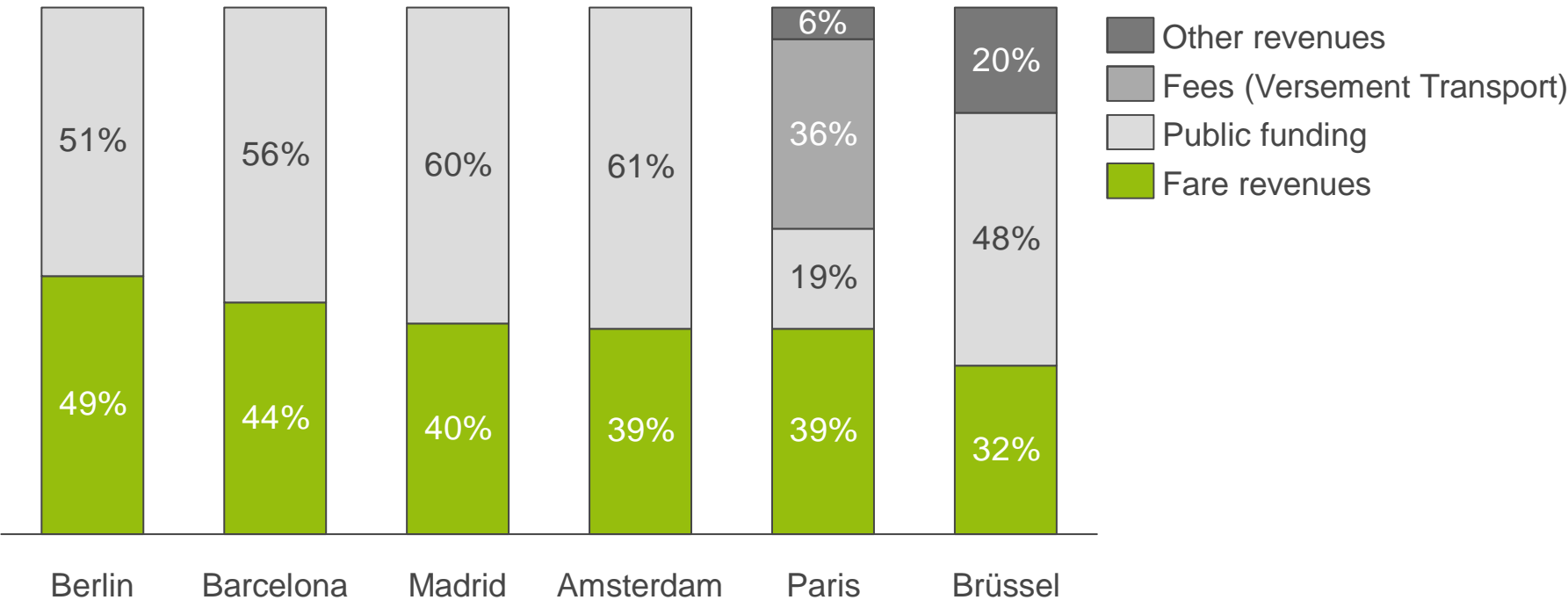
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Benchmarks between european cities show that fare revenues only cover part of the financial needs of public transportation

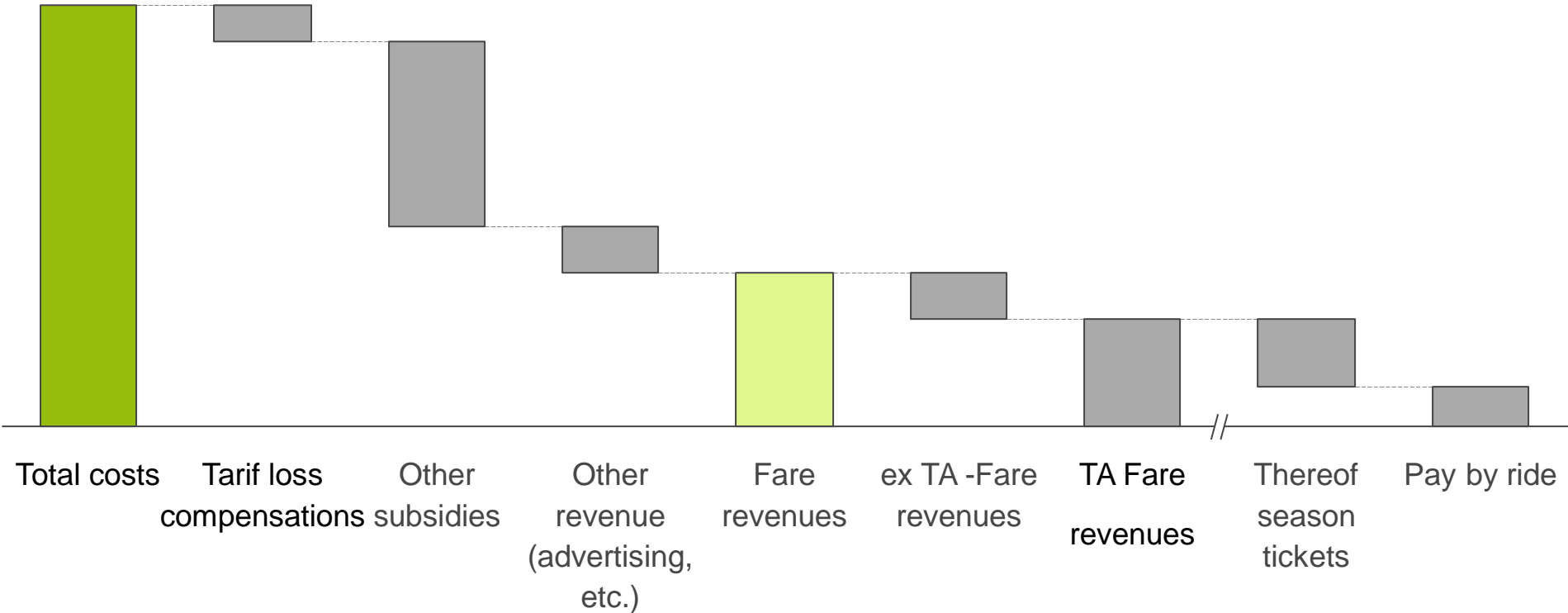
INTERNATIONAL FUNDING STRUCTURES



In Germany fare revenues on average only cover 37% of the total public transport costs – high operational subsidies needed

GERMAN FUNDING STRUCTURE (1/2)

Revenue structure public transport in Germany (bn EUR)

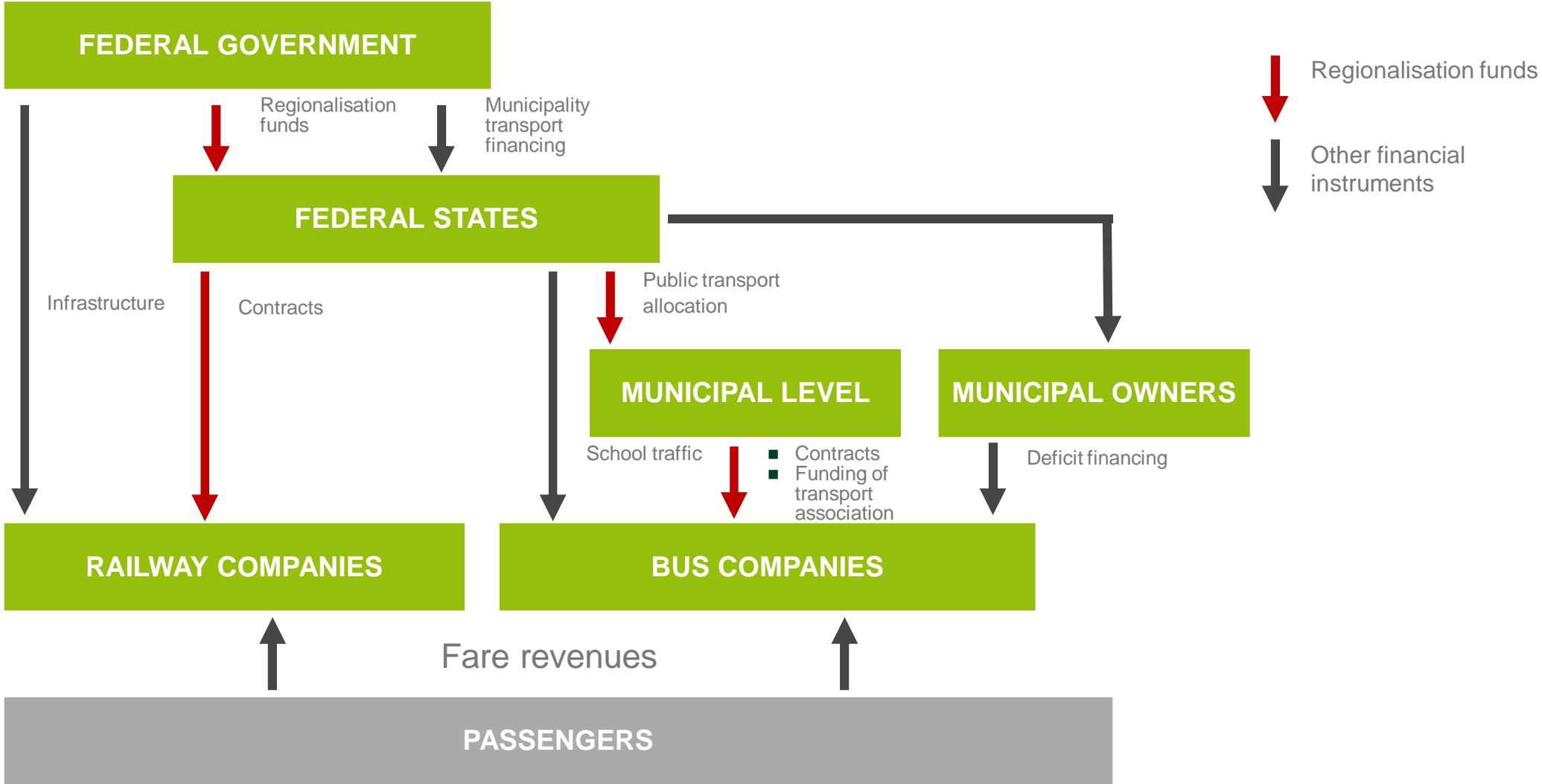


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Germany has a complex funding system, however, the regionalisation funds are an efficient financial instrument to assure operations

GERMAN FUNDING STRUCTURE (2/2)

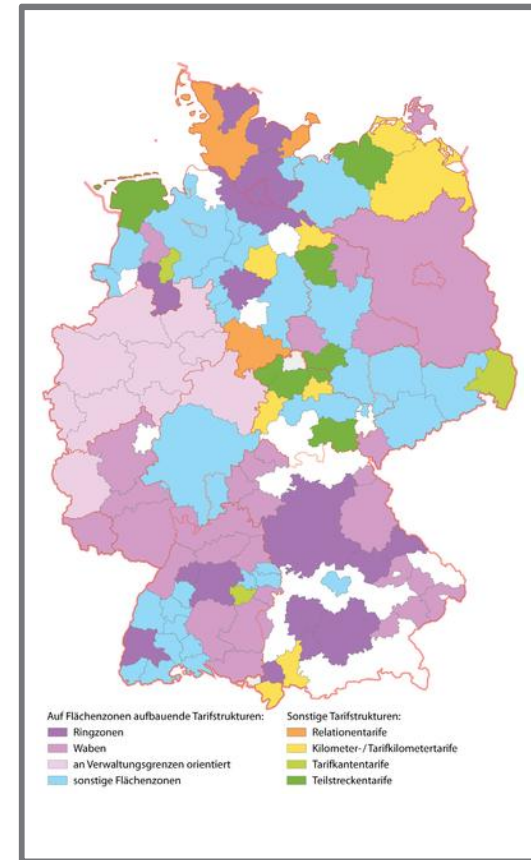
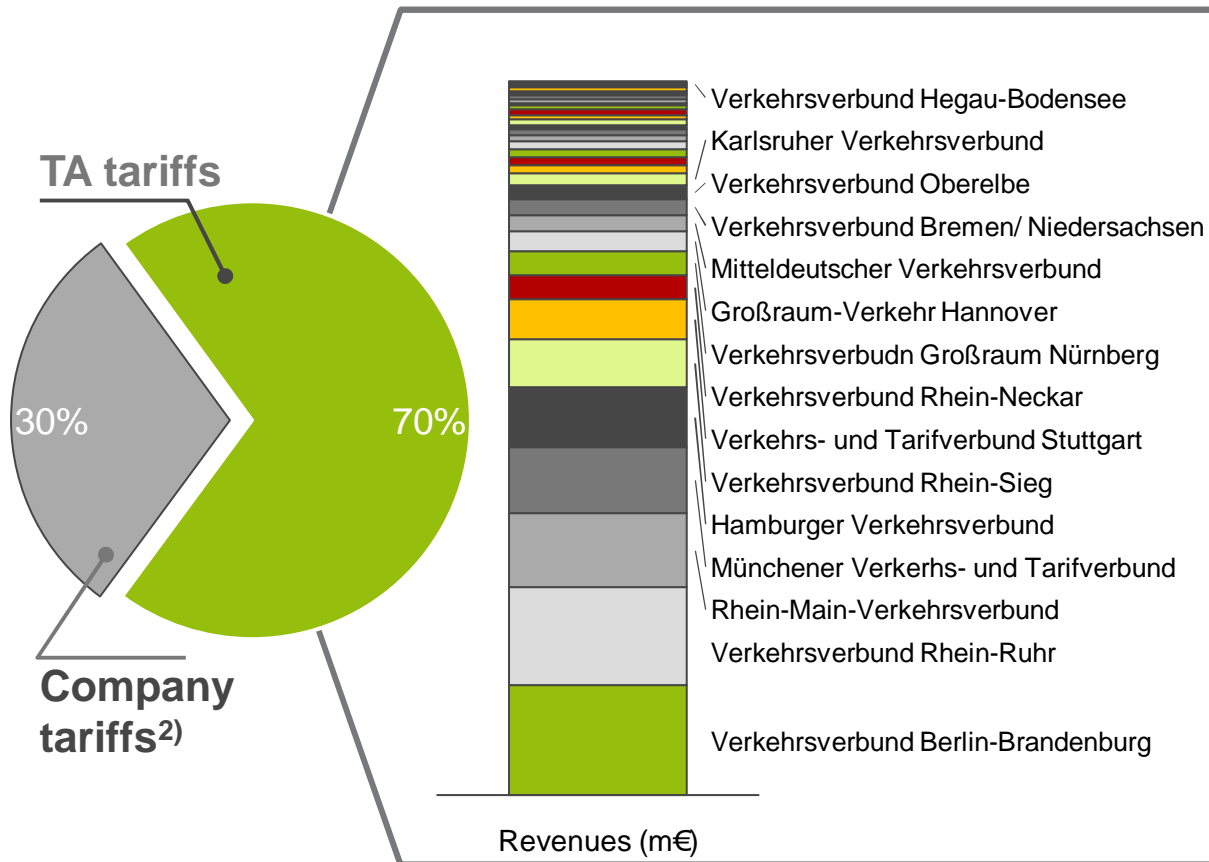
Simplified



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In Germany transport companies joined to 40 transport associations¹ (“Verkehrsverbände”) which account for 70% of total fare revenues

TRANSPORT ASSOCIATIONS IN GERMANY

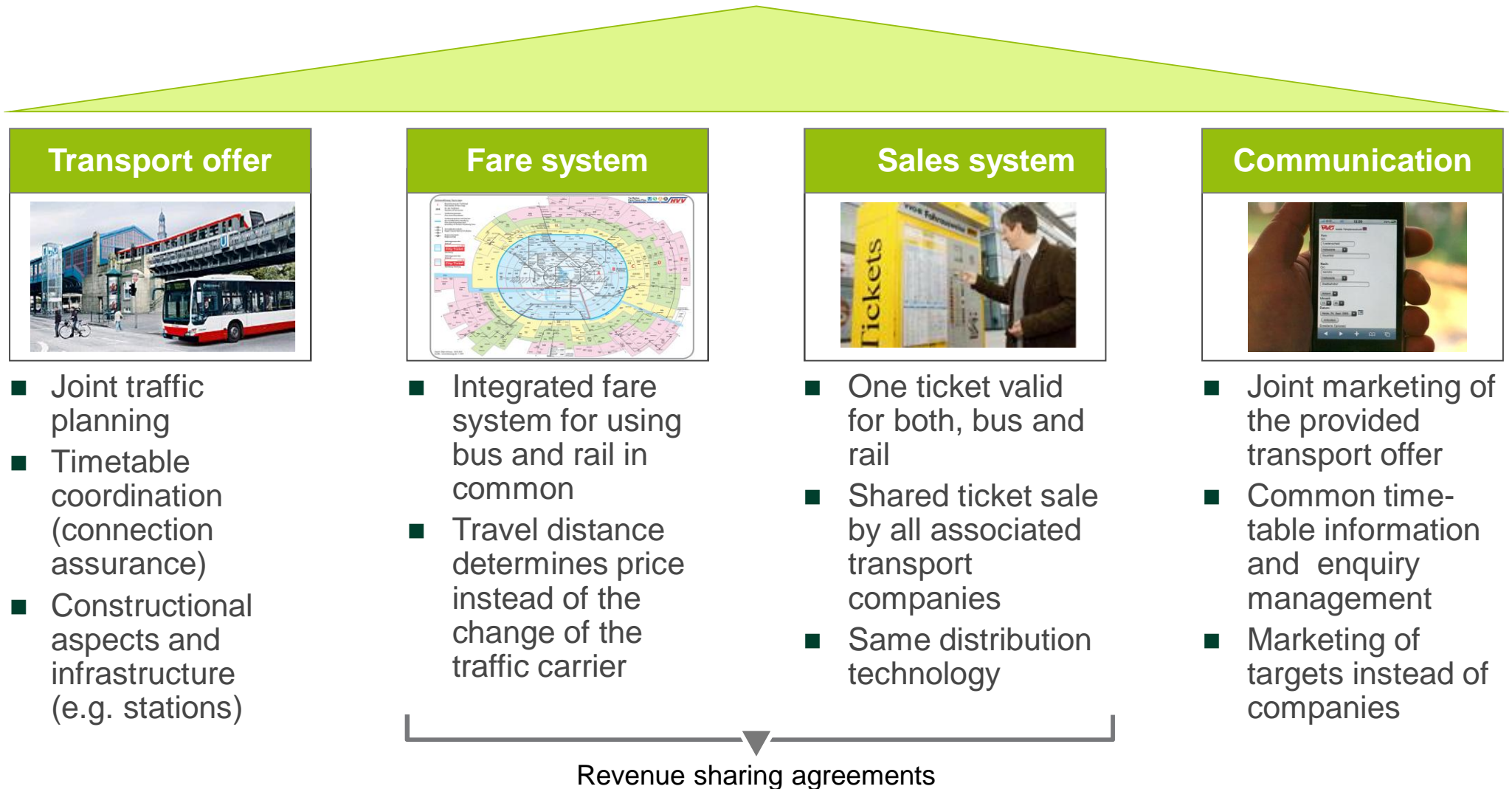


1) N=40; in addition, there are more than 20 tariff associations

2) Mainly consisting of Deutsche Bahn AG

The main reason for transport companies to work jointly in transport associations is the increase of their total fare revenues

CHARACTERISTICS OF AN INTEGRATED NETWORK



Three financial impacts are linked to the foundation of transport associations

FINANCIAL EFFECTS OF TRANSPORT ASSOCIATIONS

Increased traffic

- Significant increase in passenger numbers and fare revenues
- Improved transport offer and joint marketing leads to significant passenger growth

Tariff losses

- The price of two separate tickets (e.g. bus and train) exceeds the price of one combined ticket for the same route length
- Losses due to association tariffs can be calculated exactly and does not have to be that high

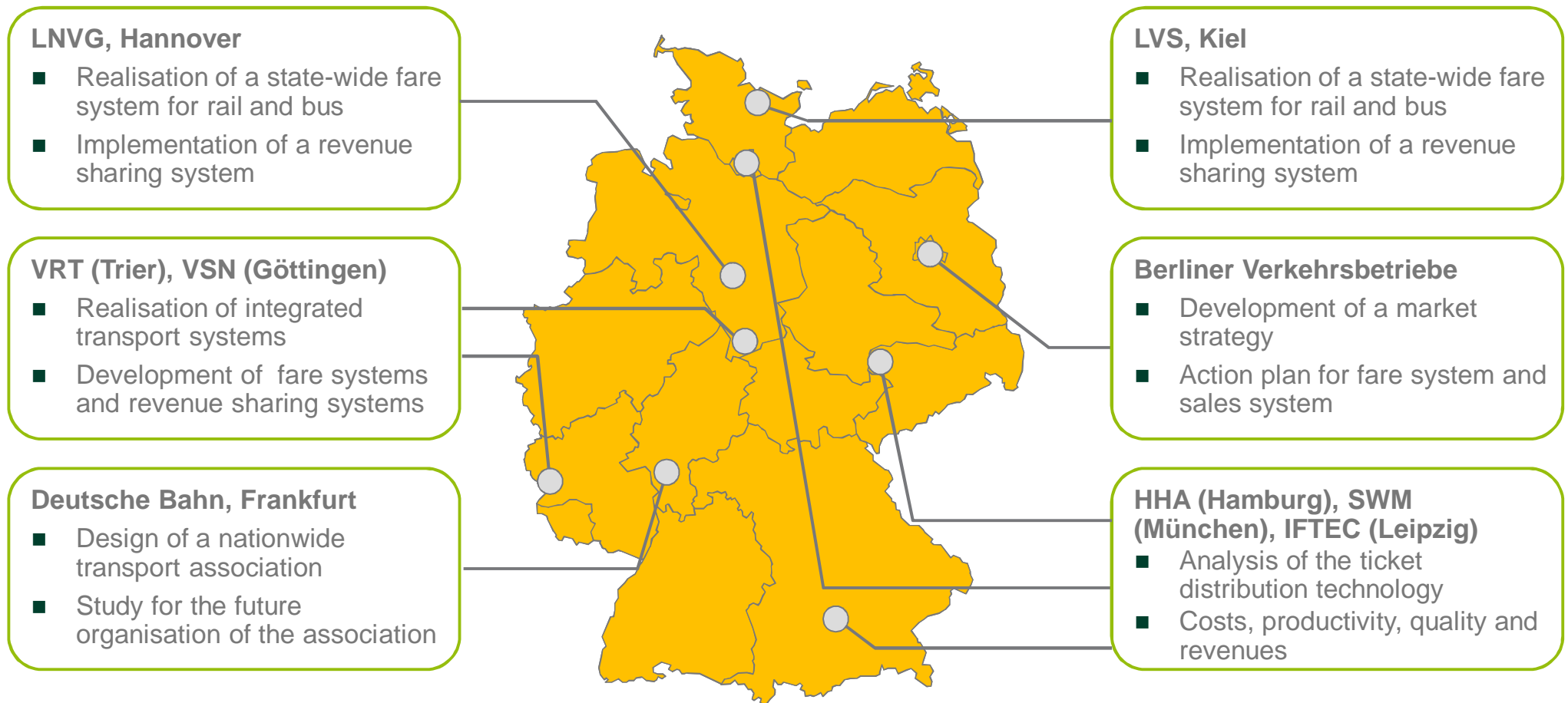
Administrative costs

- Costs occur for the implementation of transport associations e.g. for personnel and marketing
- In Germany administrative costs amount to approx. 2-4 percent of the yearly fare revenues of transport associations

Positive effects resulting from passenger increase usually clearly exceed tariff losses and administrative costs

We provide extensive know-how in the area of developing integrated public transport...

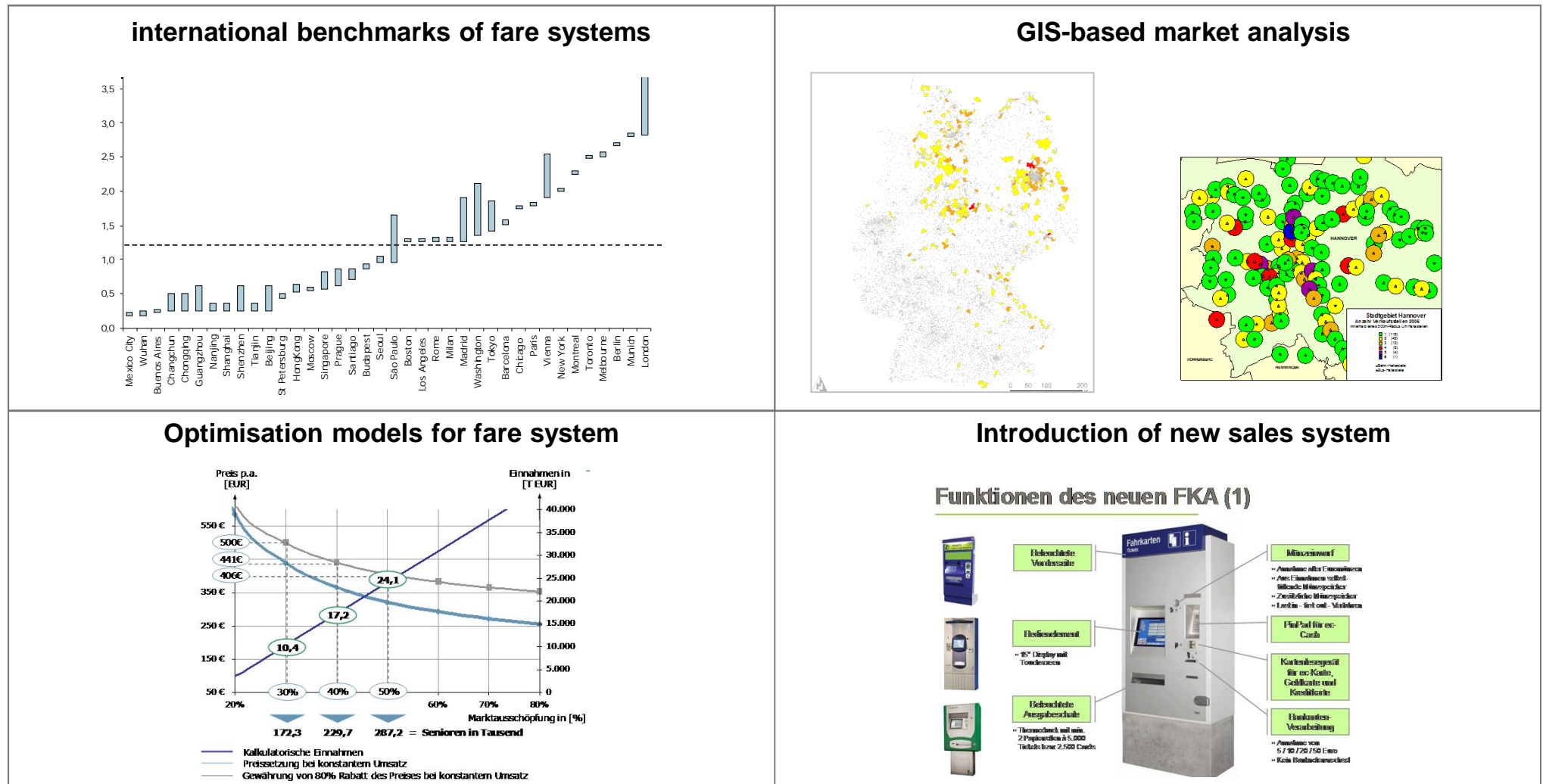
CREDENTIALS¹



1) LVS: Landesweiten Verkehrsservice Gesellschaft, VRT: Verkehrsverbund Region Trier, VSN: Verkehrsverbund Südniedersachsen, HHA: Hamburger Hochbahn, SWM: Stadtwerke München, LNVG: Landesnahverkehrsgesellschaft Niedersachsen

... and are able to support our clients from the strategic planning of an integrated public transport system until the implementation process

EXAMPLES



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