Abstract:
Local public transport is not simply a mere matter of actual travel operations, but organisational issues are increasingly playing a significant role in an ever more difficult environment. What tasks must and can the public authorities still perform and what tasks can others do better? And how does one ensure that the interests of the public are preserved during all this privatisation? In this sense, local public transport is also and in particular a question of the right form of organisation. In Frankfurt, a strong and large organisation has been developed, which, on the one hand, ensures that the competencies of the private sector are incorporated and, at the same time, represents and implements the interests of the public (= citizens and government). An exciting field of work – perhaps also for others?

Keywords: (up to 8, separated with semicolon)
Frankfurt; public transport; organization; planning; management

Classification codes: The available codes may be accessed at JEL: http://www.aeaweb.org/jel/guide/jel.php
H110 Structure, Scope, and Performance of Government
R400 Transportation Economics: General
R410 Transportation: Demand, Supply, and Congestion; Travel Time; Safety and Accidents; Transportation

Author:
Winfried Schmitz, Dipl. Geographer & Spatial Planner ETH
Chief Communication Officer
traffiQ – Lokale Nahverkehrsgesellschaft Frankfurt am Main mbH
Stiftstraße 9-17
D-60313 Frankfurt am Main
Tel.: +49 212 23379
Fax: +49 212 23371
Mail: w.schmitz@traffiQ.de
“The Frankfurt Way” – Innovative Institutional Arrangements for Public Transport Planning and Management

by Winfried Schmitz

1. Local public transport as a question of organisation

What are the megatrends of our age? Why is life increasingly being concentrated in big cities, metropolises or even megalopolises? What changes in the economic, demographic and social fabric or even with regard to values and attitudes are becoming evident? These are questions that society will have to answer now and in the future. Urban and hyper-urban regions will have to deal with this issue just as much as rural zones subject to population decline and ageing.

What is certainly undisputed here is the fact that these questions and challenges will have an impact on how mobility can be sustained and developed – not as an end in itself but as a motor, a mediator and a core element of a dramatic development.

Furthermore, what is also certainly undisputed here is the fact that public administration must ultimately ensure this. In Germany, this is called the "provision of services" or – expressed geographically – mobility as one of the basic functions of life. Working, living, providing for oneself, education and recreation – it is the factors of communication and mobility that enable the increasingly idiosyncratic individual to do all that. This task presents huge challenges for the state, the region, the town or the municipality. What is clear is that they will not be able to cope with this issue single-handedly. What is also significant, however, is that this task cannot continue to be left to the market alone.

For this reason, the organisation, and thus, of course, the organisational form of the public securing of public services are of increasing importance.

This applies just as much to the provision of medical care in the countryside as well as to public transport in towns and regions.

The state of Hesse – and especially its centre: the city of Frankfurt am Main – is taking a special approach within Germany with regard to this. Only here is there a very clear separation of the customer and the provider, of public provision and operational service. And thus also of the political level as a commissioning authority and service. For this to work well, there is in Hesse – as legally ensured in the Hessian Public Transport Act – the special role of organisations of commissioning authorities as local public transport organisations. They organise and manage, on behalf of their commissioning authorities, precisely this balancing act by providing mobility services and local public transport for the commissioning authority. For Frankfurt am Main – by far the largest city in Hesse – such an organisation of commissioning authorities is the local public transport company called traffiQ.
2. Frankfurt and the Rhine-Main region – a position reckoning

In the heart of Europe, Frankfurt is not just Germany's fifth-largest city and the centre of a densely populated area with more than 5.5 million inhabitants, but it is also the economic centre of Germany. 2.8 million Employees, a logistics and banking centre with the headquarters of the European Central Bank.

The core city has around 720,000 inhabitants and 620,000 jobs – and the growth trend is uninterrupted. The motor and lifeblood of the city and the region is mobility, as a number of distinctive key points make evident:

The largest airport, the largest motorway junction and Germany's largest railway station\(^1\). And, with DE-CIX, the largest Internet Exchange in the world.

This is where all the roads and lines run together and ensure that Frankfurt is the economic heart of Germany. But also quite individually. Every day, Frankfurt draws around half a million commuters from the entire region to it. This makes it clear just how important the issue of ensuring mobility is – not only for Frankfurt, but also for the region and Germany as a whole.

Currently, within the city, but also in conjunction with the region, local public transport is responding with a well-developed range of offers, which has, however, reached its capacity limit. Locally, there are 63 bus lines, 10 tram lines and 9 underground lines. 18 regional railway lines, 9 S-Bahn – or local train – lines and 33 regional bus lines provide transport for nearly 300 million passengers in the city of Frankfurt am Main. And the trend is likewise on the rise. The RhineMain region is organised as a transport association for regional transport, whose members are its towns and administrative districts. The local transport system has a well-functioning eTicket system and a high standard of service quality.

\(^1\) With regard to frequency, air passengers, cars and car passengers

Image 2: Frankfurt - a mobile city
3. traffiQ as an organisation for local public transport in Frankfurt

In 2001, a local public transport company was founded in Frankfurt, which, in 2002, was named traffiQ. Previously, so-called "commissioning authority organisations" (Aufgabenträgerorganisationen) had already existed in smaller cities and districts in the federal state of Hesse. With traffiQ, for the very first time ever, a large German city set out to redesign the existing structures of urban public transport organisations.

Based on the three-level model provided for by state legislation and triggered by Regulation (EEC) No 1191 – the separation of the transport service provider and the customer – the separation within the city-owned group was also decided on and implemented in Frankfurt. The local public transport company of Frankfurt am Main – i.e. traffiQ – was spun off as a management organisation from the public utility company Stadtwerke Frankfurt am Main with its transport company Frankfurt (VGF). traffiQ was intended to take over the tasks which pure transport companies could no longer afford or were no longer able to do for the entire urban transport system, since there were and are now several transport companies.

The step from the "old world", in which a municipal transport company monopolises urban know-how in the local transport sector, and into the "new world", where a management organisation, without the company-specific self-interests of the city, secures the competences in all organisational and financial issues of the local public transport system, was consistently implemented in Frankfurt.
If one ignores the fact that day-to-day practice always deviates somewhat from the imaginary ideal, then all the key competencies and responsibilities are, in fact, united in Frankfurt’s commissioning authority organisation. They enable local politics to provide people in the city with local transport from a single source – regardless of competition and licensing rules.

The governing body

- sets the timetable and the quality standards of the infrastructure
- ensures the financing of the local public transport system through its influence on the tariff structure in the network and its responsibility for securing public subsidies,
- makes sure that all transport companies comply with the quality standard,
- and keeps in touch with passengers through customer information, complaint management, and mobility centres.

<table>
<thead>
<tr>
<th>Entity</th>
<th>Goals</th>
<th>Competences</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of Frankfurt</td>
<td>• Guarantee sufficient mobility • Sustainable spatial development • Protection of the environment • Reduction of deficit compensations</td>
<td>• Comprehensive transport plan • Local PT plan (e.g. reg. quality of public transport services) • Plan for investments in PT • Definition of PT volume p.a.</td>
</tr>
<tr>
<td>traffiQ (Local public transport company (founded in 2001))</td>
<td>• Realisation of political goals on behalf of the city • Increase of public transport share and revenue • Award of services to reduce public transport expenditure</td>
<td>• Take over of the City’s tendering and award responsibilities (on the basis of a specific treaty) • Planning all local PT, marketing and financing PT</td>
</tr>
<tr>
<td>Operator (VGF, ICB, further companies)</td>
<td>• Income increase</td>
<td>• Provision of public transport services • Employ public transport personnel</td>
</tr>
</tbody>
</table>
4. And what specifically is traffiQ doing now?

As already shown, traffiQ ensures that there is a "one-source" local public transport system in the city of Frankfurt am Main. Regardless of which company runs which line or which company operates or drives which means of transport, the customers – as well as the guarantor of the provision of services in Frankfurt: i.e. the city – can thus be sure of a dense range of transport offers, good synchronisation, uniform tariffs, clear and generally valid customer information as well as uniform quality standards. For the city as such, traffiQ guarantees a competitive and transparent transport service. It realises the city's transport policy goal and thus constitutes the decisive link between policy and implementation. In doing so, it ensures that the costs will be kept in check – even if the quality of local transport remains the same or even increases.

In sum: more and better local transport for more and more satisfied customers, while ensuring a financial framework and taking account of legal and EU-compliant regulations.

Broken down even further down, here are traffiQ's most important tasks and services as a management organisation – preferably derived from the classic marketing model of PPPP:

The terms Product, Price, Place (Distribution) and Promotion describe very vividly how a product should ideally present itself on the market. The most important focus is, of course, the design of the product – or as we understand it: planning. This is followed by tariff and price design and the possibilities of distribution, or place. All of them are then merged together by information and marketing, i.e. promotion. In addition to that, there are other tasks that are very specific to local transport, but are a mandatory part of our model of an organisation.

Table 3: Main tasks of traffiQ
4.1 Planning

traffiQ carries out integrated urban transport planning to design the "product" of local public transport in Frankfurt. This is, firstly, the decisive product, because people want to go from A to B as quickly as possible, with few changes and good connections. Everything else is just supplementary to that.

On the basis of the local public transport plan (Nahverkehrsplan NVP) – also developed by traffiQ – this is where concrete plans are drawn up.

Regardless of the means of transport (metro, tram or bus) and the operator (i.e. the transport company), but taking into account the interests of the customer and the connections and links with regional transport, network planning (i.e. where does the route run?), the planning of the transport options offered (or how many vehicles, carriages are needed and how should everything by synchronised?) right through to the timetable (i.e. when should the vehicle leave?), all the basic parameters, but also all the very concrete measures, are combined and converged and developed together. Combined with, among other things, the requirements for infrastructure planning and implementation derived from all that. The transport and infrastructure companies develop their operational processes on the basis of these standards that are general but also quite specific to Frankfurt.

They include the development of an integral synchronized timetable, the transport-related development of new construction areas, as well as the significant expansion of the local train and tram network in recent years. Naturally, these measures also entail both infrastructural upgrades and conversions, as well as the adjustment of the bus transport system as far as planning is concerned.

Furthermore, standards are set with regard to vehicle equipment, including technical improvements, such as the introduction of fuel cell buses in Frankfurt am Main. Here, traffiQ sets the standards and measures that are implemented by the various transport companies.

4.2 Customer information and marketing

The person who is well informed travels well. In an urban area where several transport companies are responsible for operating various sectors of the transport system (i.e. metro, tram, bus) as well as route bundles, uniform passenger information is of fundamental importance. For the customer, it doesn't matter which transport company takes him from his start to his destination. In order to be able to do this, he needs the necessary information, which is generated by traffiQ – across all operators – for the entire urban area. This applies
to both classic media such as timetables and brochures, as well as electronic passenger information via the Internet, etc.

Consistent and uniform passenger information also includes information in the vehicles themselves - i.e. in the trams or the buses. To this end, standards are also being developed and jointly implemented with the operating transport companies in order to ensure that a consistently high quality of passenger information is offered to the passenger along the entire travel chain. In this respect, the task of traffiQ is to develop and ensure the uniform quality of information before and during the journey (with displays, announcements, etc.).

The aim of traffiQ and Frankfurt's transport policy is to get more people to use public transport. This means that the aggressive marketing of the so-called product of "local transport in Frankfurt" is also necessary and is likewise provided by traffiQ. Attractive and attention-grabbing advertising has contributed not insignificantly to rising passenger numbers in Frankfurt. The objectives ranged from the factual advertising of certain products (such as the "night bus") to purely image-boosting marketing approaches via target-group-specific product advertising for tickets (such as the CleverCard for schoolchildren). There is still a great deficit in the local public transport sector, which, among other things, is also the reason for local public transport having a comparatively bad image (that is to say it's seen as a necessary evil).

Since its establishment in 2001/2002, traffiQ has introduced a new tone into the public sphere. Thanks to attention-grabbing images and communication channels, the marketing objectives were achieved very well; marketing measures were tailored to suit various target groups and, by means of one campaign or another, became the "talk-of-the-town". In an advertising environment that is furnished by other large corporations, things are done no differently. So, one has to be a bit more attention-grabbing.

Besides information and marketing, consultancy and direct communication represent a third important task area for traffiQ marketing.

Since its start, traffiQ has been operating the mobility centre in one of the most central locations in the city. The main concern is and has always been a matter of providing a place for mobility advice and independent information for customers. At the same time, customers can, of course, also buy the necessary (preferably local) ticket direct. Whether it's a matter of a bus, train, plane or car-sharing – the advice given is always mainly related to ecologically and socially acceptable forms of mobility. Not solely, however, with the aim of increasing sales, but also of being able to offer customers comprehensive advice. The mobility centre "Verkehrinsel" or was developed in 1997 within the framework of the EU enterprise project and was the first mobility centre in Germany at the time.

Things don't always go well in local public transport and, in many cases, the local transport system, despite all efforts, is not self-explanatory. For such cases, therefore, traffiQ operates a system that handles people's concerns and complaints. This is where problematic cases
are compiled and, with the involvement of transport companies, dealt with. The aim of this is to be able to offer customers a single contact person, to whom they can turn should they have questions or suffer bad experiences. This work is supported by a complaints management tool developed by traffiQ together with the transport network Rhein-Main-Verkehrsverbund (RMV). Likewise in cooperation with the RMV, a customer guarantee was introduced in 2008 – the 10-minute guarantee. If there is a delay of more than 10 minutes, customers can have the price of their ticket reimbursed. In the past, this meant considerable relief when it came to handling complaints and a friendly response on the part of the passengers affected by Frankfurt's public transport system.

4.3 Financing

A good local transport system cannot be obtained free of charge – and it's not cheap either. This is not really news. In Germany, local public transport has many different sources of funding. On the one hand, there is, of course, the revenue obtained from tickets sold to customers. And, naturally, there is state funding, for example for making more of the system barrier-free, for transporting schoolchildren or the severely handicapped. And there is funding within the framework of the transport association, which distributes the total revenues to the associated partners – that is to say, revenue sharing. Distributing these revenues and organising an allocation for the local transport system with the city is one of traffiQ's important tasks. Local public transport does not cover its costs and the city – as a guarantor for ensuring this service in particular or public services for its citizens and guests in general – must provide additional financial support and compensation for any shortfall.

Similarly, it is important to ensure that the various providers of transport services also have an adequate financing base for their services. This means that the revenues collected via traffiQ – from the various sources – are also passed on appropriately. This, of course, requires the monitoring of the services rendered by the transport companies charged with providing them.

In addition, the financing flows that are not supplied solely on the basis of fare revenues have valid underlying data. The city, the federal state of Hesse, and the state expect to have valid figures to prove, for example, the proportion of severely handicapped passengers or pupils travelling to school. In this case, evidence must be provided by means of surveys and headcounts to ensure that the sums paid by the city, federal state and state as financial compensation can actually be paid. In a closely interlinked and integrated transport system with various actors, this proof must no longer be viewed in isolation, but must be ensured by means of a synopsis of local transport as a whole. So not bus line by bus line or the tram alone.

This amalgamation is an essential task of traffiQ. It thus represents the central responsibility as well as being the guarantor for the financial settlement with the operating transport companies.

4.4 Awards and quality control

traffiQ itself doesn't operate a single bus route or rail line; the operational business is undertaken by various transport companies that ensure operations by means of various contracts and types of contracts.

The transport company Verkehrsgesellschaft Frankfurt am Main (VGF) is entrusted with the task of operating the rail lines (tram and metro) and ensuring the provision of sales and the infrastructure. This is based on Regulation (EC) No 1370/2007 of the European Parliament, which, in addition to the awarding of contracts to local transport services as part of an
invitation to tender, also made it possible to award contracts direct to a municipal transport company. The city of Frankfurt am Main has opted for this route and controls this direct distribution by traffIQ, which acts as a so-called "competent authority". In the name of the city, VGF's performance is managed, controlled and further developed – naturally, in cooperation with the professional expertise of a traditional transport company with more than 2,000 employees.

Things are somewhat different in the bus sector. For many years, the ruling principle here was that the different bus bundles were awarded in response to tenders in line with European procedures. This principle continues to be very successful and has led, in part, to savings of 25% in bus services. However, also based on the possibility of a direct award, the city of Frankfurt am Main also expanded the field by specifying that only 50% of bus transport services should be operated under competitive tender conditions. The urban bus company called "In-der-City-Bus" was meant to preserve municipal competence with regard to the provision of bus transport services, whereupon, here too, the possibility of awarding contracts direct also comes into play.

At present, one rail company and five bus companies are responsible for the operational business in Frankfurt. It is necessary to further develop these companies and the contracts and, naturally, to monitor them. In the process, it is very important that the same quality standards prevail everywhere. The customers of Frankfurt's local transport system can rely on them. These quality standards have been developed and incorporated into the respective contracts. They are checked and appropriate countermeasures are developed together with the transport companies if things don't run so well. Breaches of contract are sanctioned by means of a "bonus-malus" system, which has worked well for years, or even by means of individual sanctions in order to encourage the companies to operate in line with the contract. The bonus-malus system in particular is decisive in this, because it is not just objective observations that are incorporated here, but, above all, the assessments of those for whom this is offered: that is to say, the customers. In this respect, the opinion of the customers regarding their local transport system provides the benchmark for the quality and thus the yardstick for contractual performance.

This interaction, and thus the guarantee that local transport in Frankfurt is run and developed "by a single source" and in the interest of the passengers cannot be left to a transport company alone. This is the task of the guarantor for the provision of the public service of mobility in the city – and thus its local transport organisation, which is working towards it: traffIQ.

4.5 Market and transport research

In order to ensure a reliable and consistent overall picture for the local transport system in Frankfurt, traffIQ carries out its own market and transport research. Censuses, measurements, surveys, and opinion polls along with their associated evaluations, are handled internally. They form the basis for the planning, e.g. capacity and utilization planning, the acceptance and comprehensibility of the information offered the proportions of the severely handicapped on a line or the quality of rail and bus services.

These are just a few of the customers to whom the traffIQ market and transport research makes its reliable, independent data available.

By means of a system of continuous traffic censuses, the utilised capacity on the various lines are recorded at 65 measuring points (12 metro, 10 tram, and 43 bus lines). On the basis of this "pulse rate", planning can be carried out reliably by adding more carriages and
vehicles as required. Particularly in the case of new lines and in the run-up to serious overall planning, special surveys, line counts or customer surveys are also carried out.

One major focus of the market and traffic research conducted is the quality control of the company, which is integrated into the quality control system via the sanctions and the bonus-malus system. Using their own staff, both objective and subjective quality measurements are carried out. In the case of the objective quality measurement, this is done on the basis of previously defined criteria and in the case of the subjective quality measurement, this is carried out by questioning the passengers on their experience "on precisely this journey". The process is representative and serves as a measure of the quality of local transport system in Frankfurt and its management.

4.6 Embedding in the network and in the region

Frankfurt am Main – and thus also traffiQ – must not be regarded in isolation. As a part and a core city of the largest German transport association, Frankfurter local transport system is an integral part of a very heterogeneous local transport area. 5.5 million inhabitants and around 700 million passengers live and travel in the Rhine-Main-Verkehrsverbund (RMV). The city of Frankfurt and 26 other towns and administrative districts as well as the state of Hesse are parts and partners of the RMV. On behalf of Frankfurt, traffiQ, which acts as a "hinge", takes on the tasks of coordination within the association and the compensation of planning, information and marketing, as well as, above all, the financing.

In the process, interests must be coordinated in such a way that the various local and regional partners are in a position to offer a good range of public transport services. Stand-alone solutions are not in the passengers' interest, and are, thus, not conducive to ensuring mobility in the city, the region, and between the town and the region. One timetable, one tariff, one network – that's been the motto of the RMV – and its partners – for 25 years now.

In order to make this even clearer for customers, traffiQ has initiated a new umbrella brand concept and implemented it together with the association. Under the RMV umbrella, local information will be easier to access and understand in the future. Up to now, it was often the case that the RMV was known, but local competence was provided by local transport organisations. In this respect, the customer always had to know exactly who was responsible for what so that he knew whom to turn to. The umbrella brand strategy does away with this and, for 2 years now, traffiQ has been presenting itself to its customers as "RMV Frankfurt". Nothing has changed as far as the tasks and competences are concerned.
5. Upshot

Dealing with the future and, in particular, with unknown and serious developments presents great challenges for the people involved. This is all the more true if we are concerned not only with observing the further developments of individuals or individual sectors or technologies, but also the future interplay of different forces in order to secure society, the economy and development and to keep them future-proof. Mobility – and above all public mobility – plays a key role here. In order to ensure this in a growing city such as Frankfurt, traffiQ was established as an organisation of commissioning authorities. On behalf of the City of Frankfurt, it ensures public mobility through planning, financing and organisation. The entire spectrum, regardless of which transport company operates the individual lines and branches of industry (metro, tram, bus) or the sales and distribution and infrastructure, is organised by the local public transport organisation. This not only ensures that the concerns of the customer are and remain the focus of all the efforts, but also – irrespective of the operator – traffiQ ensures that the wishes of the city and its elected representatives as regards local transport can be implemented. The sovereign power is and remains the parliament and its elected government; the workplace and the powerful sword for the local transport system in Frankfurt am Main is traffiQ.

And what is going to happen next?

Whatever happens, in the future, the organisation of commissioning authorities of the municipal authorities will be the key to securing the future of local public transport. As a "knowhow shop" or as a control instrument. This is certainly the conclusion that can be drawn from the sixteen-year history of traffiQ, the local public transport company of Frankfurt am Main.