



## Dutch public transport policy

### General objectives of the Dutch Mobility Policy Document

A correctly functioning system for the transportation of people and freight is an essential condition for economic development. This is why the cabinet wishes to improve accessibility and to leave the growth of mobility unhindered within the legal framework of areas such as safety and living environment. The reliability, speed and safety of journeys must increase.

Public transport as a share of all passenger transport is 5 (trip numbers) respectively 11 (kilometres) percent. The share is higher in the various Randstad regions and lower in nearly every region outside of the Randstad.

### Public transport: a targeted, ambitious and integrated approach

The cabinet, the local authorities and the transporters involved will make sure that public transport will be offering a realistic, attractive product – especially towards, within and between urban networks – and that it will be providing customised solutions where demand is limited, allowing people to participate in society. Passengers must be able to change between the various forms of public transport and to change from public transport to cars and bicycles quickly and easily.

Public transport can also contribute to quality of life, especially in urban networks. The government is focusing on achieving reliable and short travelling times over entire journeys in 2020, focusing on an integrated network approach. Overall, the following public transport goal applies: 'The government makes it possible; transporters, managers and local authorities make it happen'.

### Regional public Transport

Policy for contracting public transport in the last decennia showed poor financial results:

- Losses of public transport-companies subsidized since 1970's
- Result in 1999: subsidy 65% of costs, over €1 bln/year
- Strong state influence on operations, but poor performance

Policy changed with the **Passengers transport Act (Wp2000)** that introduced:

- The decentralisation of competence and responsibility for regional public transport (bus, tram, metro and regional train services). This was in line with the government policy: "Decentralise where possible, centralise where necessary". The provinces and regions in which local authorities work together under the newly amended Joint Arrangements Act (WGR-plus) are in the best position to take account of the region as a whole, in consultation with the municipalities concerned. They identify aspirations for their areas by producing a coherent package of measures. The funds for transport are allocated in the form of block grants.
- Competitive tendering: with the law on passengers transport (2000) competitive tendering is mandatory for public transport services in the Netherlands. This obligation has come into effect gradually. Under the concession system, local governments put out to tender concessions for public transport services in a certain area for a certain period of time. Public

transport operators can put in bids and, if awarded the contract, receive an exclusive right to provide these services with a subsidy from the local government. Urban transport in the three major cities Amsterdam, Rotterdam and The Hague are exempt from this obligation as are the national train services. Parliament has asked the government to exempt these three cities from mandatory competitive tendering if the public transport contract is awarded to an inhouse-operator conform the European Regulation 1370/2007 (Public Services Obligations).

### **Roles local and central governments**

The provinces and WGR-plus regions decide how bus, train, underground and rail transport will be organised in metropolitan districts and regions. Central government will facilitate their efforts to keep urban networks and services accessible throughout the country.

Provinces and WGR plus regions are taking measures and making tools available with the objective of (1) making public transport a viable, attractive, available and reliable transport product for the (growing) mobility to, in and between (large) municipal networks, (2) delivering custom work in situations with limited and distributed transport demand, to provide social participation and accessibility to social facilities, (3) offering good transfer options for travellers who use multiple forms of transport and (4) enabling public transportation to contribute as much as possible to a better environment.

Provinces and WGR plus regions are actively engaged in public transport, through financing and market regulation. They take measures with a view towards goals for improving the quality of public transportation and having public transportation represent a larger share in the transport of passengers in the (large) municipal areas. In doing so, they strive to come up with an optimised division of roles between government and market participants (such as transporters). Better utilisation of the existing transport capacity and more efficient utilisation of (production) tools are given priority. Provinces, WGR plus regions and municipalities are evaluating plans for new residential and work sites in terms of how they fit in with existing spatial planning, financing and timely availability of public transport facilities.

Provinces and WGR plus regions take part in the so-called conflict resolution framework.

The state is responsible for the infrastructure as specified in the plans for the rail network and for passenger transport on the main rail network. Provinces and WGR plus regions handle the regional and local public transport and the decentralised train services.

The transport services offered on the main rail network must make a contribution to the accessibility of the large cities and economic core areas (the most important employment zones and residential areas), particularly during the rush hour. They must also contribute to the accessibility of all parts of the Netherlands.

The state will put in effort to improve infrastructure reliability and capacity while simultaneously resolving market disruptions. In eliminating the maintenance backlog, when replacing infrastructure and increasing reliability, the main corridors and within this, in particular the connections that fit in with the railway's core task, have priority. The core task is to transport large traffic flows in a secure way without imposing a heavy burden on scarce space.

The cabinet is investigating the possibility of lifting public transport growth to a higher level. As part of this process, it is reviewing all growth enablers, including

economic, demographic and spatial development considerations. Should growth be feasible and cost-effective from a societal perspective, the state will – also on the basis of network analyses – review whether additional measures are necessary, while duly observing the reliability objectives. Assuming growth can be generated, the cabinet will look for additional sources of funding. In keeping with its desire to steer on output, the cabinet will make clear agreements with the rail sector in terms of reliability and the volume of transportation.

The state evaluates the agreements between the rail sector and the regional authorities based on its duty to provide the transport concession and the related duty to ensure consultation between the Dutch Railway and the regional authorities.

The state will ensure that agreements between the rail sector and regional authorities meet the requirements for transparency and that the NS and ProRail do not abuse their monopoly position. This also applies to lines on the national rail network used for local rail services. Based on the NS' annual transport plan, central government determines whether the obligations have been met with regard to facilities, fees, accessibility and public safety at stations.

To deploy resources as efficiently as possible, the state, regional parties and the transport operators must jointly analyse the transport-related, financial and administrative aspects of lines and stations and prioritise based on these results. All of the data must be codified per line and measures must be weighted and balanced in relation to the other passenger and freight transport methods.

The state ensures that provinces and WGR plus regions are able to make their own choices regarding regional public transport, so that they fit in with the specific character of the region. The state provides means (in the Broad Goal-Oriented Grant (BDU) *Brede doeluitkering verkeer en vervoer*), and provides laws and instructions, in particular for market regulation and to represent collective consumer interests. The BDU allocation key was recalibrated in 2007. The results of the network analyses are one of the elements in this recalibration.

The introduction of the public transport chip card is one way for the provinces and WGR plus regions to conduct their tasks in the area of traffic and transport more effectively. The provinces and WGR plus regions must also incorporate concrete provisions for chip card implementation in their PVVP's and RVVP's<sup>1</sup>. Assuming the minister gives a green light during Q2 2006, the assumption is that uniform national implementation of the chip card can be accomplished by 31 December 2007 at the latest. The provinces and WGR plus regions harmonise the implementation of this essential component of the RVVPs and PVVPs with the ministry of transport, public works and water management, other provinces and WGR plus regions, transport operators and consumer organisations. The chipcard will, following its introduction, put local authorities and transport operators in a better position to introduce a pricing policy that is differentiated on the basis of time, location and target group.

The provinces and WGR plus regions provide reliable, fast, accessible, socially safe and effective regional public transport that fits their specific regional situation. The PVVPs and RVVPs, as well as the municipal policy, specify quantitative objectives regarding in any case: where growth over time and at specific locations is realistic, what (rush hour) travel time is reasonable per type of public transport, where public transport's problem solving capacity lies, what measures are taken for chain provisions and how situations with limited transport demand are provided for. In the PVVPs and RVVPs, within their regional public transport networks, the regional authorities assign priority to connections that resolve problems and have a high transport value.

---

<sup>1</sup> PVVP= Provinciaal Verkeer en Vervoer Plan, Provincial Mobility Plan.  
RVVP= Regionaal Verkeer en Vervoer Plan, Regional Mobility Plan.

In their PVVPs and RVVPs, the provinces and WGR plus regions will specify – in concrete terms – the type of public transport facilities they will offer to people who are unable to guarantee their own mobility, to guarantee the accessibility of facilities that are only available in municipalities that function as a main centre. The state and the regional authorities will monitor (i) the realisation of the objectives and (ii) the supply and use of public transport services.

Provinces, WGR plus regions and municipalities evaluate plans for new residential and work sites for how they fit within the spatial context, for financing and for timely availability of public transport facilities. In choosing spatial development, efficient utilisation of the current public transportation network must be one of the leading factors, both in terms of infrastructure as well as (structural) exploitation.

As part of the concessions, the provinces and WGR plus regions have an obligation to harmonise schedules. Where possible, this will be tendered on an inter-modal basis.

### **Optimising public transport accessibility**

In consultation with the municipalities and supported by the state, the public transport authorities constantly look for possibilities to improve the accessibility of public transport services.

In view of the anticipated changes to the transportation vehicles and facilities used for urban and regional public transport, which will meet nearly all accessibility requirements by the end of 2010, the action plan targets the most important bus stops. During the period up to 2010, the accessibility of bus stops at important destinations such as hospitals and nursing homes as well as so-called hub bus stops ('sterhaltes') will be improved, allowing these stops to be used by the highest possible percentage of people with a mobility restriction. The state, provinces, WGR plus regions and municipalities reached administrative agreements about (i) the total number of accessible stops for 2010, (ii) the requisite funding and (iii) the progress to be made.

### **De-partitioning of the public transport sector and target group-based transportation**

The authorities will, as far as possible, strive to 'de-partition' the various budgets available for collective passenger transport. The state supports initiatives that improve the interrelationship between target group-based transportation and public transport. It is expected that the bundled deployment of resources for collective passenger transport at a regional level offers the best economies of scale. This applies from the perspective of the client, the awarding public transport authority and the transport provider. The use of general services such as public transport is to be preferred above the use of specific services for individual target groups.

#### **Strategy central government:**

- The cabinet will ensure that transporters and local authorities work towards growing passenger numbers.
- To achieve this, the cabinet will continue to incorporate incentives, monitor progress and hold the various parties to account.

### **Railways**

#### **Organization**

ProRail, NS (Dutch Railways) and various regional transport companies operate on the Dutch railway network. ProRail takes care of the construction, management and maintenance of the railway network in the Netherlands on behalf of the Minister of Transport, Public Works and Water Management. ProRail manages the railway network. This includes the management and maintenance of

facilities such as stations, tunnels, rails, level crossings, overhead lines, signals and points.

ProRail also distributes capacity on the rail network, controls the traffic, provides information about rail traffic and coordinates in the event of a disaster.

NS is the largest railway company in the Netherlands. NS transports passengers from a to b. The aim of NS is to transport passengers safely, but also on time and comfortably. NS also plays a role in the development and management of stations and their surroundings.

### **Regional transport companies**

The Minister of Transport, Public Works and Water Management is currently in the process of transferring the responsibility for regional train services to the regions in question (provinces and Framework Act areas). This will include the granting of concessions to passenger transport companies. The best-known regional transport companies are Connexxion, Arriva and Syntus.

### **Transport concessions and management concessions**

The Ministry of Transport, Public Works and Water Management grants transport concessions and a management concession for the rail network. The transport concessions determine which transport companies are allowed to operate on the rail network. The Ministry includes a variety of regulations in the concessions to which the other parties are subject. Among other things, these regulations relate to the required performance.

Every twelve months, NS draws up an annual plan (transport plan), which includes (possible) changes to the timetable. The transport plan is submitted to the Ministry of Transport, Public Works and Water Management for approval. Every year the Ministry verifies whether the new NS timetable complies with the transport concession for the main rail network.

### **Management concession**

The management concession states that ProRail manages the rail network. The concession states that ProRail must take care of the construction, management and maintenance of the railway in the Netherlands. ProRail draws up an annual plan (management plan) every twelve months. This is submitted to the Ministry of Transport, Public Works and Water Management for approval.

In addition to the concessions, the Minister prepares laws and policy with which the network manager and the transport companies must comply, for example, with regard to safety. The Railways Act describes the different roles of the government and the other parties involved.

## **Summary Government position on the final railway legislation evaluation report (july 2009)**

### **Ambitious aims for rail sector**

The government has some ambitious aims for the rail sector in the Netherlands. It has identified four priorities for improving the quality and capacity of both passenger and freight transport. They are:

- Frequent services on the busiest lines in and around the Randstad in the west of the country;
- Cohesive regional public transport systems revolving around rail transport;
- Quality of travel times to the various parts of the country;
- A future-proof strategy for freight transport routes.

In its 2007 coalition agreement, the government also aimed for 5% annual growth in passenger transport during its term in office. In the medium term, €4.5 billion has been earmarked for investment in the rail sector, through the High Frequency Rail Transport Programme.

The government plans to achieve these ambitious aims by expanding the capacity and quality of the railways and by making the organisation of the rail sector, the rules and regulations applicable to it and the distribution of responsibilities between the various parties more transparent and more effective. To this end, current legislation has been evaluated.

### **The evaluation in context**

Current railway legislation entered into force on 1 January 2005. It was evaluated in 2008. The government wanted to see whether the railways needed radical reorganisation, as happened in the 1990s and around 2000. On the basis of the evaluation, the government concluded that this was not the case.

The rail sector has been in continual flux ever since the 1990s. Over the years, views on the ultimate objectives for its organisation have changed. The railways' poor performance in 2001 and the unrest this caused led to a reappraisal of the previous reorganisation. As a result, in 2005, the current organisation, with the relevant legislation, was introduced. Parties in the rail sector and the government focused after this reappraisal on working more closely together and on remedying and improving the railways' performance. The organisation chosen then, in combination with the recovery plan for the railways, has put the sector back on the right track.

However, the government has come to the conclusion that the organisation needs improving in some ways. The frameworks for user charges and distribution of capacity need to be tightened up, improved and made more transparent, the position of regional parties at stations needs to be improved, and the position, role and management of the infrastructure manager ProRail, as well as the management of Dutch Railways (NS), need to be given more focus and made more transparent.

Not all improvements can be brought about through legislation. Equally important are the conduct of the parties in the rail sector and cooperation between them, since they are the ones who have to deliver services. It is possible and indeed necessary to maintain and step up cooperation. What is more, the points for improvement listed in the final report of the evaluation indicate that existing instruments are not being utilised to the full.

### **The government endorses the main conclusions of the evaluation**

The government has assessed the results of the evaluation in the light of its ambitious aims for the railways. It endorses the four main conclusions of the final report.

- The rail sector now has a decent structure, but it needs to be put to better use.
- Social efficient use of the railways is improving.
- The transport operators and the infrastructure manager are primarily responsible for day-to-day management.
- The statutory system could work better.

The organisation chosen in the Netherlands dovetails closely with European legislation and policy developments, aimed chiefly at opening up the market for freight transport and for international transborder passenger transport. National passenger transport by rail has not been liberalised at EU level.

### **Better rail transport for passengers and shippers through closer cooperation**

It is very important that rail sector parties primarily focus on the wishes and interests of their customers, i.e. passengers and shippers. Chain mobility, door-to-door travel, transport from terminal to final destination and, to these ends, collaboration between international, national and regional rail sector parties are the central issues for this government.

Cooperation between the infrastructure manager and the transport operators has improved in recent years. For the government, cooperation between them is essential if its ambitious aims are to be achieved. To enable further utilisation and growth, the government plans to clearly delineate the parameters of the main instruments for cooperation in the rail sector.

The government will present a clear, uniform policy framework for user charges, which will lead to more clarity and certainty. The main concern is for tariffs and the principles on which they are based to be clear and the costs and the system used by ProRail for user charges to be transparent. Stability of the system, tariff development and better utilisation of the railways are also major considerations.

In the short term, the government plans to distribute more capacity to regional passenger transport by giving it priority over goods transport when the track is declared congested during the rush hour, if at all possible. The government will also amend legislation in order to improve cooperation between rail sector parties in distributing capacity. In the medium term, the government is investing in expanding railways capacity. Studies will be conducted into the most appropriate regulatory framework for developments in the medium term, such as rerouting of freight transport and high-frequency passenger services.

The government plans to introduce supplementary regulations to clarify the situation relating to access to additional services and facilities (e.g. rolling stock washing plants). The regulations will address cohesion with EU legislation. They will provide an overview of the services and facilities concerned and specify how charges for them should be set.

Another improvement has to do with cooperation between ProRail and smaller transport operators. The transport operators will be given a stronger position vis-à-vis the manager. ProRail will involve them more actively in various products, and will seek more customised solutions in its agreements with them.

The government will also simplify access to the rail network by extending the period of validity of the safety certificate, simplifying the rules relating to rolling stock, and setting up a help desk for new transport operators.

### **Encouraging growth and better performance by ProRail and NS**

NS and ProRail have improved their performance in the past few years. To keep them on track and stimulate growth, the government feels it is necessary to adapt its guidance of the two organisations in a number of areas.

For the government, NS and ProRail are the two national rail sector parties. NS is responsible for transport on the main rail network, while ProRail is responsible for managing the infrastructure. The government is planning to take a more hands-on approach to providing direction to the two parties, and will not decide on NS's concession from 2015 until the necessary adjustments have been made. It will decide no later than 2010 on the length of ProRail's concession, and will do so on the basis of the infrastructure manager's discharge of its public task and its focus on the customer.

The government sees ProRail first and foremost as a provider of public services. As such, it should focus on implementing its statutory, public responsibilities. In order to ensure that ProRail fulfils this role, the government will bring more pressure to bear through its position as shareholder and awarder of concessions and grants. It will amend the company's articles of association, give the State legal ownership of the main rail network infrastructure and expand its array of enforcement instruments.

It is important to the government that ProRail vigorously pursue its cultural transformation into a more customer-oriented organisation, focusing on tailor-made solutions and differentiation. The government plans to take several measures to promote ProRail's cooperation with transport operators and enhance its relationship with local authorities. They include clarification and differentiation of the user charges, differentiation of performance and an indicator in the management plan of performance in working for third parties. With regard to the integrated management plan, the government will give transport operators and local authorities that grant concessions the right to issue compulsory recommendations, subject to a test of reasonableness. The aim here is to strengthen their position vis-à-vis ProRail.

Since the government sees ProRail as the executive organisation, focusing on its public tasks and on its customers, and because the government does not want to divide up management of the infrastructure, it seems appropriate for the management concession to stay with ProRail from 2015.

In view of the outcome of the evaluation and the government's aims, the NS's concession for the main rail network will be modified. The government is planning to introduce a number of new performance indicators and expand its array of enforcement instruments. It has opted to press for more efficiency by charging NS for the concession from 2009, and requiring it to provide more detailed financial information. In fleshing out the Policy Document on State-Controlled Companies, the Minister of Finance, as NS shareholder, will give it more forceful direction to secure the public interest.

In the government's view, Dutch Railways (NS), as the national passenger transport operator on the main rail network, is responsible for meeting the greatest possible share of the Netherlands' transport needs and for improving rail transport in the Netherlands. In view of this position and NS's performance in recent years, and on condition that the organisation cooperates in efforts to tighten up the concession, the government will decide whether, and if so under what conditions, the concession will not be put out to tender but will again be granted to NS after 2015. (The current concession for passenger transport on the main rail network expires in 2015.) The government will decide on this no later than 2010. It is also planning to explore alternative models for the scope of the main rail network and the pros and cons of the various options, in line with the recommendations of the railway legislation self-evaluation review committee, which was chaired by Ms Winnie Sorgdrager.

### **A more prominent position for provincial and regional authorities in the rail system**

On the basis of the evaluation, the government concludes that the position of provincial and regional authorities needs strengthening, and therefore plans to take statutory and organisational measures in a number of fields.

Good regional transport networks are an essential and integral part of the transport chain that brings passengers from door to door. The government regards rail transport as the backbone of cohesive regional public transport

systems, and is therefore in favour of more extensive cooperation with and between the authorities responsible for providing services. The provincial and regional authorities will be represented by their umbrella organisations IPO and SkVV, in advisory groups, giving them the opportunity to provide input in assessing the management and transport plan.

In 2010, the government will explore how the interface between the concession for the main rail network and existing regional concessions can best be designed in the new concession for the main rail network from 2015. It will do so in combination with its exploration of the scope of the main rail network.

The position of regional transport operators and provincial and regional authorities at regional stations will be strengthened, so that regional passenger transport can continue to develop. Regional transport operators will have the opportunity to build their own profile, with their own house style, and they can expect more transparent provision when they rent facilities and services. Provincial and regional authorities will be able to actively and independently promote, exploit and outsource commercial activities on platforms.

The government is promoting and pushing developments at ProRail that will lead to more customised solutions for its customers, such as regional differentiation of relevant performance indicators, and surveys of the various groups of customers to gauge levels of satisfaction. It is also important for central government to provide the provincial and regional authorities with more adequate information about the scope offered by the instruments that are available. The evaluation shows that these authorities are not sufficiently aware of the means at their disposal.

### **Safety**

The trend analyses conducted each year by the Railway Inspectorate of the Transport and Water management Inspectorate show that for many years the railways have been very safe. External studies conducted in 2008 also show that the Netherlands scores at least as well as other European countries on rail safety indicators. The government gives the highest priority to rail safety. It recognises, however, that absolute safety is unattainable. It is unrealistic to expect that an incident or accident should never occur. However, it is important to chart the risks as thoroughly as possible, and to take the right risk-management measures. The policy set out in 2005 in the second Framework Policy Document on Rail Safety will be evaluated in 2009.

Railway legislation has not changed safety requirements, but brought them within the domain of public law. The evaluation concluded that the aim of embedding government responsibility for safety as a public interest in railway legislation has been accomplished. The responsibilities of the various parties involved in ensuring safety are clearly specified in this legislation, partly on the basis of EU directives. Nonetheless, the government believes that the evaluation demonstrates the need for more cohesion in and a clearer overview of the legislation. This will be addressed as part of a programme to improve legislation. In its viewpoint on the evaluation, the government also clarifies its overall responsibility for rail safety.

### **Improving legislation**

The legislation provides a solid foundation, but elaboration and improvement are needed in some areas. The section-by-section technical examination of the legislation has led to specific proposals from the rail sector for improvements. The government will take vigorous action, and include these proposals in existing and new legislation projects.

The government is well aware that the EU is of great significance to the rail sector, and that this significance is growing. This means that the EU, and not the member states, increasingly sets the rules. To avoid conflict and a lack of clarity between EU rules and national regulations, continued attention needs to be given to the speed at which and the quality with which EU rules are implemented in the Netherlands. Various parties, including ProRail, NS and the Transport and Water Management Inspectorate, underscore this.