



Research Issues in Railway Regulation

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1. Costs and benefits of unbundling: vertical unbundling (European model), horizontal unbundling (Japanese model), possible intermediate solutions for local services.
2. The “minimum efficient dimensions” of networks: always coincident with the national borders? Economies of scale versus contestability.
3. Regulation of investments: productive and allocative inefficiencies of investments entirely paid by the State (lack of efficiency incentives). “Endogenous” and “exogenous” investments. The role of public planning.



4. Social objectives and competition in rail services: “cross subsidies” as inefficient (lack of transparency on costs), unequitable (why the users of crowded services have to pay?), and a severe barrier to competition.
5. Measurement of the real social contents of the different services (a totally exogenous issue?). An empty train is not “social”.
6. The optimal duration of concessions for infrastructure and regional services, the correct regulatory accounting, and the RAB (Regulatory Asset Base) issue.



7. The optimal number of tills for subsidies: investments, operations of the infrastructure, services. A non-transparent structure, that impedes any measurement of the social result of public intervention.
8. Access tariffs: marginal or average cost pricing? The first is efficient and pro-competition, but with high public costs. The second, the other way round. Which compromise for a level international field?
9. The main “capture” mechanisms that have so far delayed European competition.



10. The “institution building” issue for an effective European regulatory agency, and its possible relation with other regulatory bodies.
11. What is similar and what is different in the regulatory issues in other transport modes.
12. Is the rolling stock an essential facility? Are other dominant economies of scale or scope in the services? Efficiency versus entry barriers. The issue of the “dominant position” in services.



13. Are “tilted play fields” justified in order to reduce the advantages of the incumbents? An example: maximization of the “breaking up” of infrastructures and services, leaving to the market to “signal” economies of scale.
14. Contestability from other modes: a well-known argument to avoid pro-competition regulation. The problem of subsidies, external costs, and more strict labour conditions.
15. The role of technical evolution in increasing possible competition



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Thank you for your attention

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