



Florence School of Regulation

## **1<sup>st</sup> Florence Workshop on Rail Transport Regulation**

# **Aims, models and powers of rail regulators**

Issues and introduction to the workshop

**Prof Matthias Finger, EPFL and FSR-T**

**15 November 2010**

Badia Fiesolana,  
Via de' Roccettini, 9, San Domenico di Fiesole, Florence

# Outlook

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FSR-Transport: a quick introduction

Aims, models and powers of rail regulators

- Importance of the topic
- Linking institutions, technology and performance

Program of the workshop

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# What is the Florence School of Regulation?

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- The Florence School of Regulation is a **partnership** between the **Robert Schuman Centre for Advanced Studies (RSCAS)** of the **European University Institute (EUI)**, the Council of the European Energy Regulators (**CEER**) and the Independent Regulators Group (**IRG**)
- It works closely with the **European Commission**



- Its **objectives** are to:
  - organize **policy events** dealing with key regulatory issues;
  - provide **state-of-the-art training for practitioners**;
  - produce **analytical and empirical research** in the field of regulation;
  - promote **networking**, through documents and ideas exchanges.

# What is the Florence School of Regulation?

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- The Florence School of Regulation is directed by Prof. Jean-Michel Glachant and has **three topical areas**, namely:
  - **Energy** (Area director: Jean-Michel Glachant)
  - **Communications and Media** (Area director: Pier Luigi Parcu)
  - **Transport** (Area director: Matthias Finger)
- It is a **European forum** dedicated to **economic regulation**, where **all stakeholders involved in regulation** (policy and business decision-makers, regulators, regulated companies and academics) can **meet**, allowing to develop **cross-country issues as well as comparing national experiences and country specific regulatory problems**
- **Financing** of initiatives and management of the Florence School of Regulation is provided **by the partners and by a number of regulated or non-regulated companies** with an interest in the subject matter (**donors**) who participate in this initiative through the payment of an annual fee

# The Transport Area (FSR-T)

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- The Transport Area at FSR (FSR-T) is a **group of scholars and researchers working on regulatory and policy matters where regulation plays a role**
- FSR-T is concerned with **regulation and regulatory policy of all modes of transport** (including the relationships between these modes):
  - **Rail**
  - **Air**
  - **Waterborne**
  - **Road**
  - plus **Urban Transport / Public Transport**, which is treated on its own



# The vision for FSR-T

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- to contribute to the development of Europe's **regulatory policies** in **support** of the broader **transport policies**
- to develop such regulatory policies on the basis of solid intellectual **research** (policy relevant research)
- to involve all important **stakeholders** so as to ensure that our contribution is relevant
- to become a point of reference for transport-related regulatory **theory and practice** in Europe and beyond

# FSR events

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Mode	Title	Date
Rail	1st ERailTRF (European Rail Transport Regulation Forum)	9 April 2010
Air	1st EAirTRF (European Air Transport Regulation Forum)	15 October 2010
 Rail	<b>1st Florence Workshop on Rail Transport Regulation on “Aims, models and powers of rail regulation”</b>	<b>15 November 2010</b>
Urban	1 <sup>st</sup> EUrbanTRF (European Urban Transport Regulation Forum)	11 February 2011
Rail	<b>2nd ERailTRF (European Rail Transport Regulation Forum)</b>	<b>14 March 2011</b>
Rail/all	<b>1st Graduate Transport Regulation Seminar</b>	<b>12-14 March 2011</b>
Air	1st Florence Workshop on Air Transport Regulation	20 June 2011
Air	2nd EAirTRF (European Air Transport Regulation Forum)	14 October 2011



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# Importance of the topic

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- There are currently many differences ...
    - between regulatory models (sector-specific; cross-sectoral; encompassing or not competition regulation, etc.)
    - remits of regulators (rail, rail-related)
    - aims of regulators (competition, other)
    - powers of regulators (independence, ex-post/ante)
    - etc.
  - There are also certain trends:
    - independent regulatory authority (IRA)
    - “Europeanization”
    - etc.
  - But many questions remain:
    - is the IRA *the* model?
    - what *is* competition for the different regulators?
- ... and regulation must always be seen in relationship with policy objectives and practices**

# Diversity in regulation

## Type and scope of desired competition

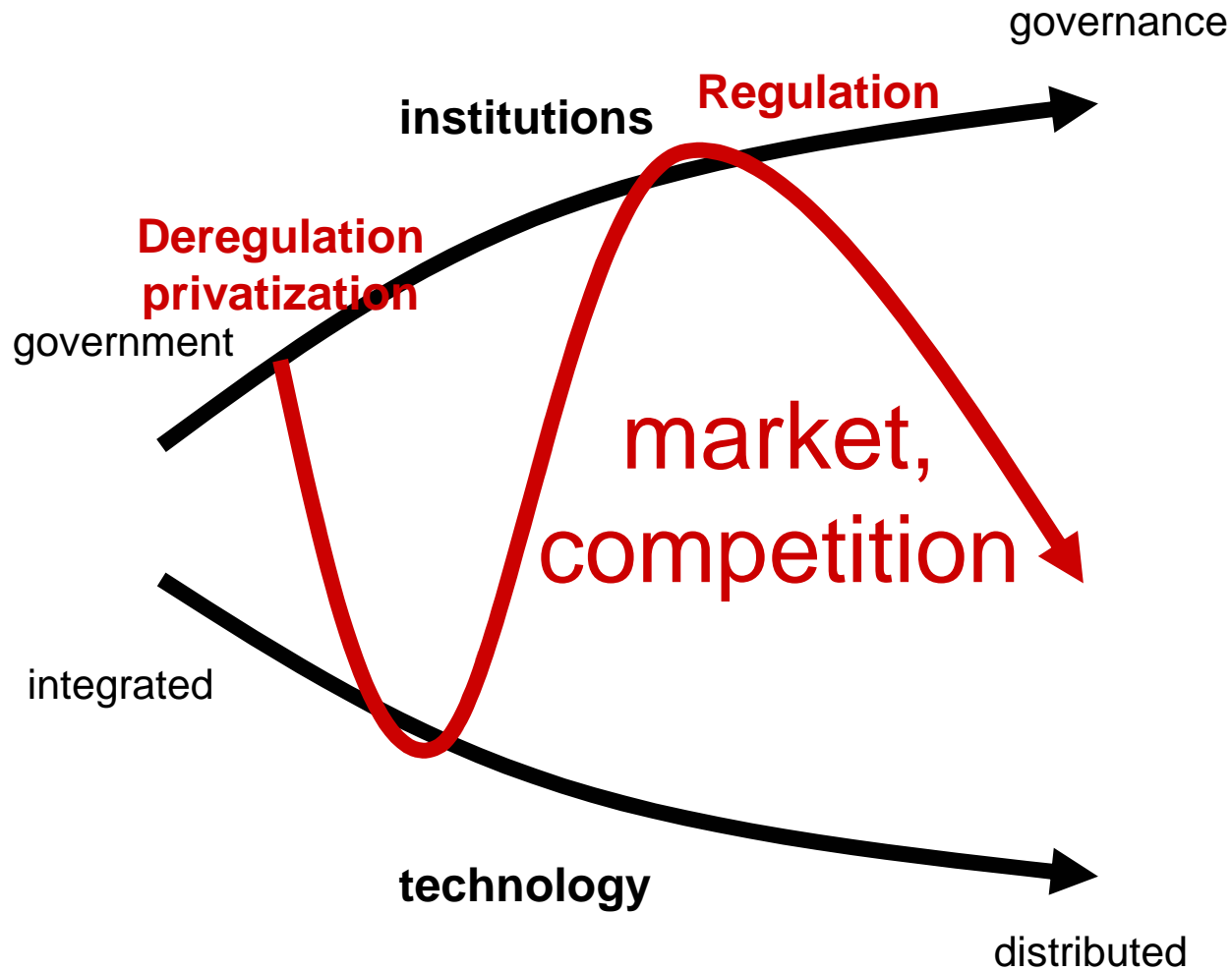
Structure of historical operator	Franchising	Intra-modal competition	Inter-modal competition	
	Complete separation (UK, S)	<p><b>Type of regulatory governance:</b></p> <ul style="list-style-type: none"> <li>- sectoral vs trans-sectoral</li> <li>- sector specific vs competition</li> <li>- role in path allocation</li> <li>- distribution of powers among actors</li> <li>- etc.</li> </ul>		
	Holding company (D, A, CH)			
	Separation of key powers (H)			

How stable are the different arrangements? How much push by the EC for a single model?

→ How to think regulatory governance of the liberalizing railway sector?

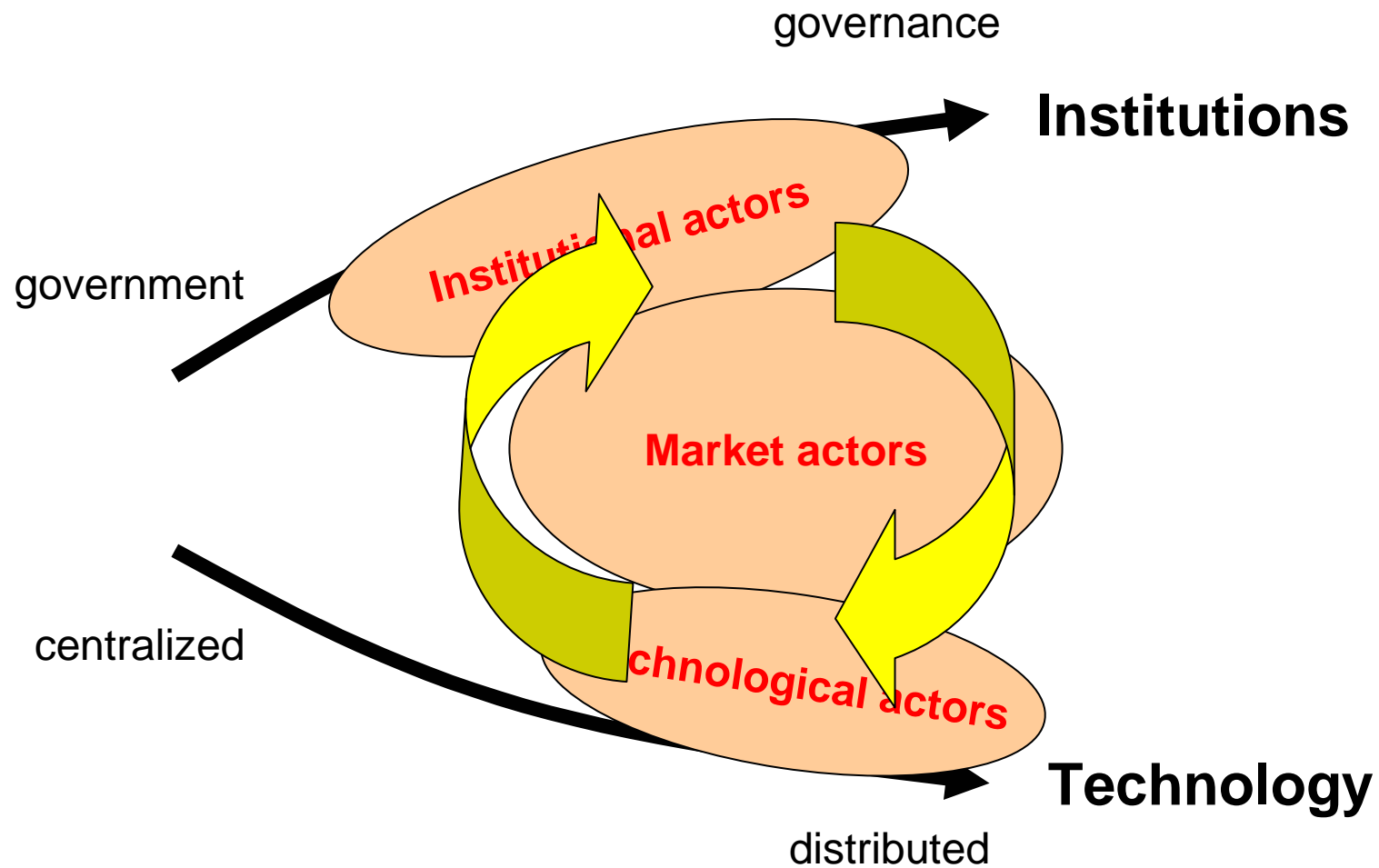
# Linking technology, institutions, and performance

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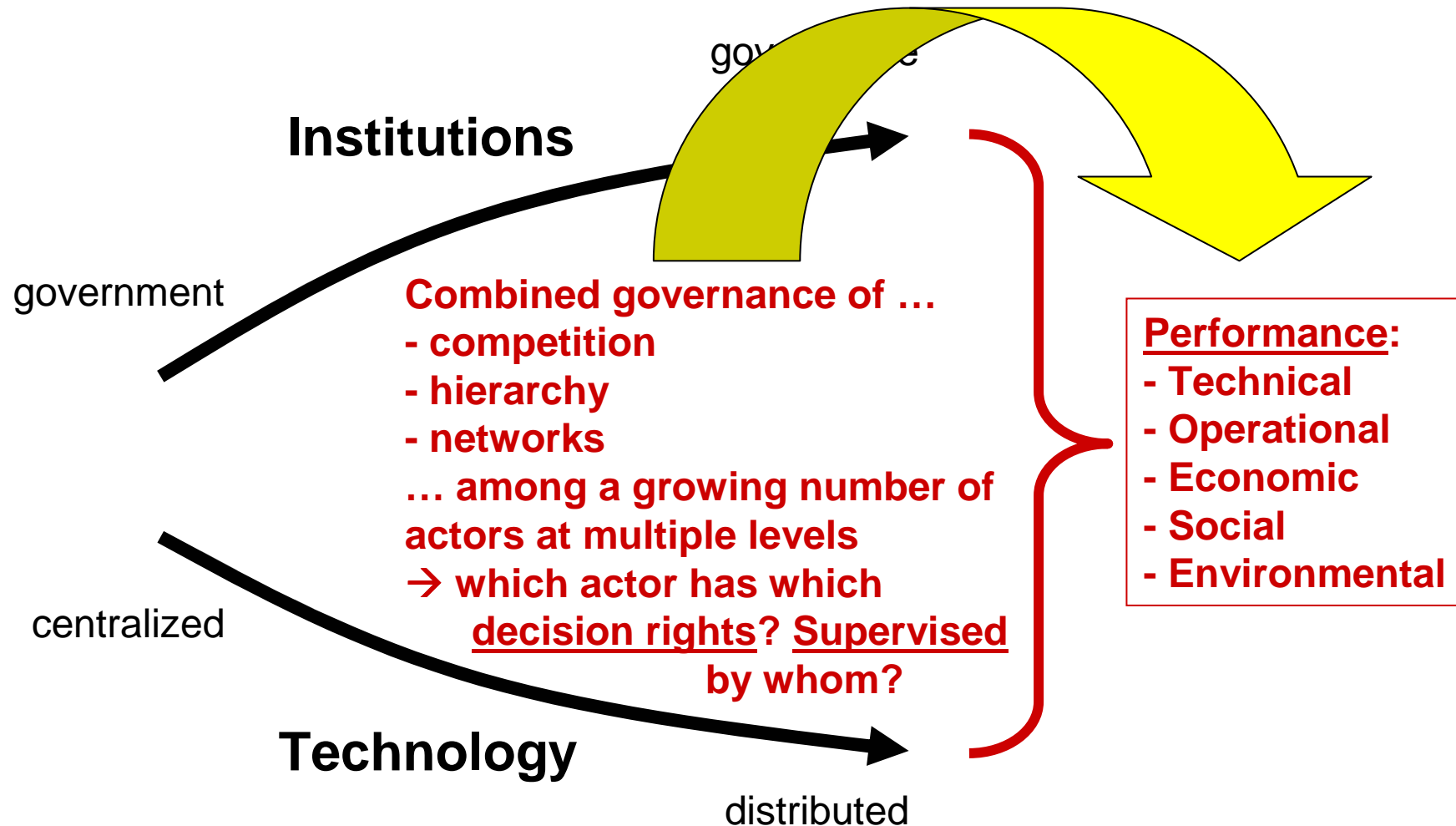


# No dynamics without actors

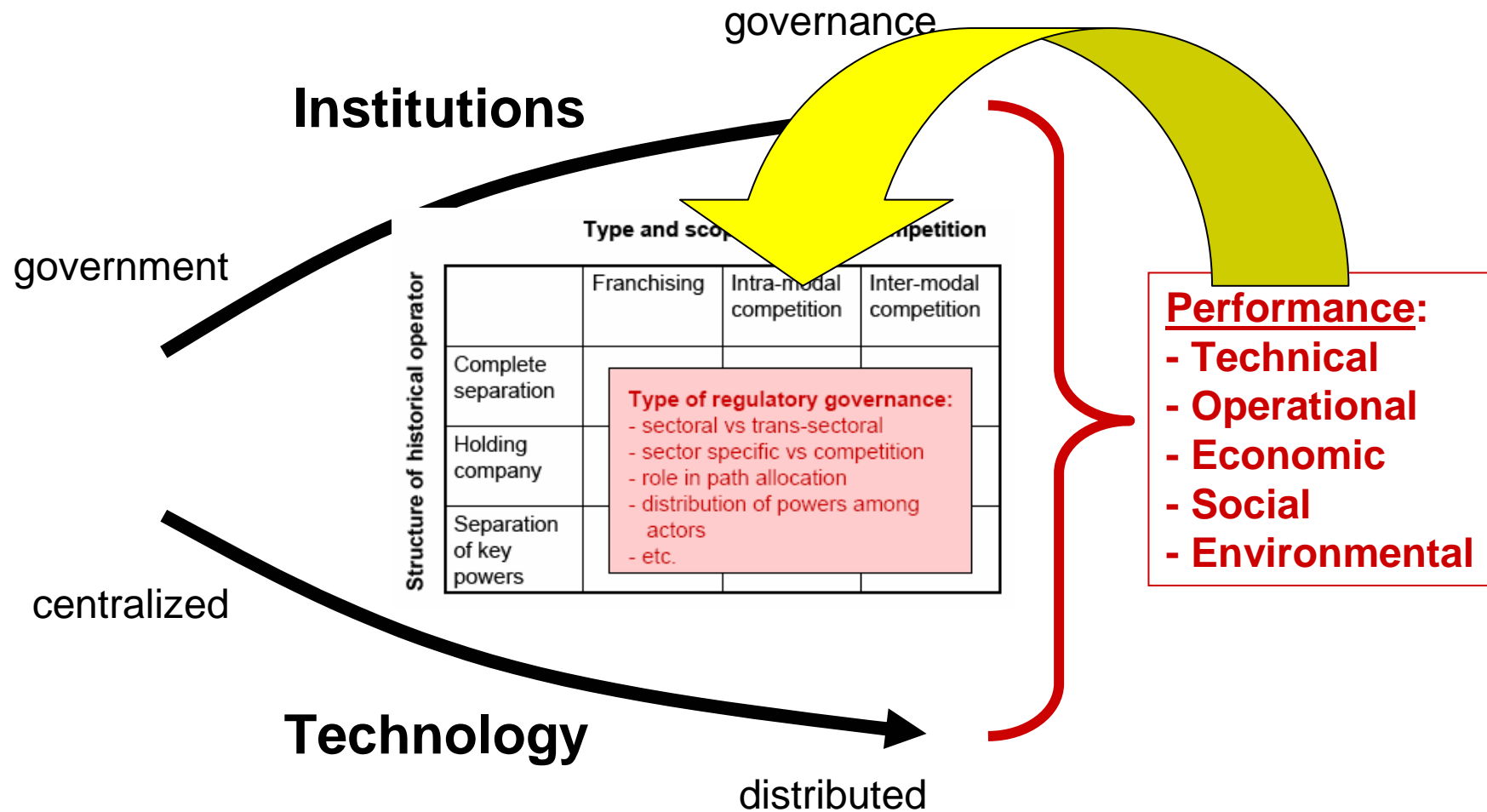
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# Governance of the (relationships among) actors



# No regulatory governance without performance



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# Aims, models and powers of rail regulators

## Program, morning session

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09:00 – 09:30	<b>Models of (rail) regulation: issues and introduction to the workshop</b> <b>Matthias Finger</b> , Professor, Director of <b>FSR-T</b> and of the Chair of Management of Network Industries, <b>EPFL</b>
09:30 – 11:00	<b>The view of the regulators</b> Moderator: <b>Matthias Finger</b> , Professor, Director of <b>FSR-T</b> and of the Chair of Management of Network Industries, <b>EPFL</b> <ul style="list-style-type: none"><li>•<b>Michael Beswick</b>, Director, Railway Policy, <b>Office of Rail Regulation, United Kingdom</b></li><li>•<b>Karsten Otte</b>, Director, Head of the Railway Regulation Department, <b>BNetzA, Germany</b></li><li>•<b>Tamás Veréb</b>, International Relations Officer, <b>Department of Rail Regulation, Hungary</b></li></ul>
11:00 – 11:20	<i>Coffee break</i>
11:20 – 13:10	<b>The views of the regulated companies</b> Moderator: <b>Marc Laperrouza</b> , Senior Researcher, Chair of Management of Network Industries, <b>EPFL</b> <ul style="list-style-type: none"><li>•<b>Joachim Fried</b>, Director, Economics, Policy and Regulation, <b>Deutsche Bahn, Germany</b></li><li>•<b>Michel Quidort</b>, Director, External Relations and European Affairs, <b>Veolia Transport</b></li><li>•<b>Hans Ring</b>, Director, International Affairs, <b>Trafikverket, Sweden</b></li><li>•<b>Thomas Isenmann</b>, Managing Director, <b>Trasse Schweiz, Switzerland</b></li></ul>
13:10 – 14:00	<i>Lunch break</i>

# Aims, models and powers of rail regulators

## Program, afternoon session

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14.00 – 14.40

### **The EC directives and the models and powers of rail regulators in Europe**

Moderator: **Matthias Finger**, Professor, **FSR-T** and **EPFL**

Speaker:

- **Thomas Kaufmann**, Directorate E - inland transport, **EC DG MOVE**

14.40 – 16.10

### **Measuring the market and its regulation: what do we need to know?**

Moderator: **Andrea Rosa**, Coordinator, **FSR-T**

Speakers:

- **Andrew Smith**, Lecturer in Transport Economics, Inst. for Transport Studies, **University of Leeds, UK**
- **Roland Beier**, Market Monitoring Officer, **Schienen-Control GmbH, Austria**
- **Stephan Osterwald** and **Markus Kern**, Public and Government Affairs, **SBB CFF FFS, Switzerland**

16.10 – 16.30

*Coffee break*

16.30 – 17.10

### **The experience of the Japanese rail industry**

Moderator: **Andrea Rosa**, Coordinator, **FSR-T**

Speaker:

- **Fumitoshi Mizutani**, Professor of Public Utility Economics and Management, **Kobe University, Japan**

17.10 – 17.30

### **Summary and closure**

**Matthias Finger**, Professor, **FSR-T** and **EPFL**