The Swedish democratic system

Parliament
Government
Administrations and Agencies
Public inquiries
Sweden is governed like most countries but,

- Cabinet (Government) decisions are taken collectively; plenary meeting every week
- Ministerial steering prohibited in Sweden
- Ministers are not head of agencies
- Administrations and agencies are at arm's lengths distance from cabinet
- Small ministries and (instead) larger administrations and agencies
Which of the administrations and authorities does what?

**TRAFIKVERKET**

- The Swedish Transport Administration is responsible for the long-term planning of the transport system for road traffic, rail traffic, maritime shipping and air traffic, and for the construction, operation and maintenance of state-owned roads and railways.

**TRANSPORTSTYRELSEN**

- The Swedish Transport Agency is the regulatory body; develops and enforces rules, issues licences (driving licences and certificates), registers changes in ownership, manages congestion and vehicle taxes.

- Transport Analysis scrutinizes and evaluates facts and data used in the decision making process, evaluates measures and is responsible for statistics.
The democratic system in Sweden

**National level**
- Elections to the Riksdag (Swedish parliament)
- The Riksdag elects the Prime Minister, who forms a government

**Regional level**
- Elections to the County Council Assembly
- The County Council Assembly elects the County Council Executive Board

**Local level**
- Elections to the Municipal Council
- The Municipal Council elects the Municipal Executive Board

20 County Councils
21 Counties
290 Municipalities
Financial flows in the rail sector, SEK millions

**THE STATE**
- Funding applied: 16,640 (14,437)
- Direct agreements with companies: 1,097 (889)
- Agreements, support and cooperation: 758 (547)
- Interregional bus, air and shipping transport

**National Public Transport Agency**
- Cooperation in rail traffic: 242 (236)
- Rail companies
- Track fees: 514 (569)
- State funding: 166 (739)
- Transport authorities
- 2,900* (2,825)
- Ticket sales passenger services
- 2,000* (1,550)
- Freight customers
- 7,700 (7,400)
- 6,600* (6,000)

**Other local/regional public transport**
- Operating contribution: 12,285* (11,388)
- Municipalities: 3,073* (1,034)
- County councils: 2,222* (6,334)

In 2007 and 2008 Banverket received extra appropriations in order to organise the loan debt on rail investment. In the Graph, the entry "funded" has been removed. The additional allocation was SEK 3,375 million for 2007 and SEK 12,949 million for 2008.

Data about the transport authorities disbursements and income is based on estimates and should be treated with caution. Data marked with an asterisk refers to 2007, while a comparative year 2006. Income from other local/regional public transport is not shown in the Graph.
Reforms in the Swedish railway transport sector
By act of Swedish Parliament

• 1988 Separating out rail infrastructure management (Banverket) and the Railway Inspectorate (independent in safety regulation decisions but administratively linked to Banverket)
• 1990 Regional Transport Authorities are mandated to care for all regional public transport including regional passenger services on rail (the first private train operating company is created 1989)
• 1990 - 1995 Public call for regional passenger services in open competition; leads to new private entries
• 1996 Deregulation of all rail freight services – throughout Sweden
• 2001 Competition makes it necessary to split up former SJ into a number of companies (unbundling)
Reforms in the Swedish railway transport sector
By act of Swedish Parliament - continued

• 2004 Railway Inspectorate becomes also administrative independent as the Railway Transport Agency
  The Railway Transport Agency also assumes responsibilities for supervising track access fees, service charges, capacity allocation and rail market competition
• 2009 The all transport mode regulator – The Swedish Transport Agency is created
• 2010 The all transport mode administration – Trafikverket is created
• 2009 – 2011 Deregulating all rail passengers services throughout Sweden
Domestic freight transport mileage divided according to type of transport, 1960-2008.
Long-distance freight transport, 2008, divided according to type of transport and level of processing.

Million tonne-km

- **Highly-processed goods**
- **Processed goods**
- **Low processed goods**
- **Bulk goods**

Legend:
- Road
- Rail
- Sea
Passenger traffic by rail 1950-2008,
billions of passenger-kilometres

- Breakthrough for private car ownership
- Energy crisis 1
- Energy crisis 2
- Air travel expands
- New lines and new trains
- Climate crisis

Journeys >100 km
Journeys <100 km

Source: KTH, Järnvägsgruppen
### Table 3
Rail companies operating commercial traffic on Swedish track in 2008 and companies operating light rail and underground traffic

<table>
<thead>
<tr>
<th>Operator</th>
<th>Freight traffic on rail</th>
<th>Passenger traffic on rail</th>
<th>Light rail</th>
<th>Underground</th>
<th>International interests</th>
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<tbody>
<tr>
<td>A-Train AB</td>
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<td>Arriva Tåg AB</td>
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<td>AB Stockholm's spårvagnar</td>
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<td>Bantag Nordic AB</td>
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<td>Cargo Net AB</td>
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<td>Cargo Net AS</td>
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<td>Green Cargo AB</td>
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<td>Goteborgs's spårvagnar AB</td>
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<td>Hector Rail AB</td>
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<td>Inlandsbanan AB</td>
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<td>Malmtrafik i Kiruna AB</td>
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<td>Merresor AB</td>
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<td>MidCargo AB</td>
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<td>Nordic Haulage AB</td>
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<td>Ofo banen AS</td>
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<td>Peterson Rail AB</td>
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<td>Railion Scandinavia A/S</td>
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<td>Roslagsståg AB</td>
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<td>SJ AB</td>
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<td>SJ Norrlandståg AB</td>
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<td>Stena Recycling AB</td>
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<td>Stockholmståg KB</td>
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<td>Svenska Tågkompaniet AB</td>
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<td>TGOI Trafik AB</td>
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<td>Tägnedt AB</td>
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<td>Tägneriet i Bergslagen AB</td>
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<td>Veolia Transport Sverige AB</td>
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Source: Ramekret
Total long-distance and short-distance passenger transport mileage on the railways divided between SJ and other operators in 2008.

Per cent
Schedule for deregulation of Inter City passenger services

Parliament decision to lift SJ monopoly for Inter City services

June 2009
Riksdagen avskaffar SJ:s monopol

July 2009
Helg- och veckosluts- trafik

October 2009
Internationell trafik

Extraordinary Government decision to open for real time competition on specific lines; due to volcanic activities on Iceland

May 2010
Trafikerings- tillstånd på vissa sträckor på grund av vulkan- utbrottet på Island

All national Inter City services open for real time competition

October 2010
All inrikes-trafik

December 2011
Deregulation to be fully implemented

Full effekt
Some food for thoughts

• Legislative process is slow and normally lags behind; this hamper a sound market development
• Implementation differs in EU member states; imposes new barriers
• Rail sector is heavily interlinked with public funding and politics
• High investments for new entrants; significant threshold to enter market
• Railways used to be one big family; and in most countries used to set its own self rules
• Makes it hard to strike the right balance – for railway operators to let go of the regulatory instinct – for new regulators not to regulate in detail (because you like to impose solutions that you are familiar with)
Some food for thoughts, continued

- National vs. EU common market
- Regulatory level; detailed or framework
- Industry standards vs. regulations
- Specialised and focussed stakeholders but yet necessary to share the same **overall** perspective and objectives?
Our vision

Everybody arrives smoothly, the green and safe way
The aim is to meet transport policy targets

The overall objective of the transport policy in Sweden is to ensure socio-economically viable, efficient and sustainable transportation for citizens as well as for trade and industry.

The functional objective of transport policy: Availability

The considerate objectives of transport policy: Health, safety and the environment
Sweden’s strategic national transport plan – Parliament and Government; all transport modes framework 417 billion SEK of which 395 bn SEK grant funds, and 22 bn loan from state funds

<table>
<thead>
<tr>
<th>The state finance scope embracing all means of transportation</th>
<th>417</th>
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<tbody>
<tr>
<td>Operation and maintenance of roads</td>
<td>136</td>
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<tr>
<td>Operation and maintenance of the national railway network</td>
<td>64</td>
</tr>
<tr>
<td>Investment for constructing [development] roads, railways, locks [maritime] and navigable waterways</td>
<td>217</td>
</tr>
</tbody>
</table>

An additional 65 bn SEK in co-financing and 15.6 bn SEK in track access fees [railway]
Interested parties

Customers – *Those who benefit from us*
Those who buy and use our products and services e.g. citizens and trade and industry. *Contractual customers;* Those customers who buy access rights to the railway network and in their turn offer services to passengers and freight customers

Partners – *Those that together with us create more value*
Regions, county administrations, communities, regional traffic administrators, other companies and partners for the transport network and system

Owner etc – *Those whose demands and objectives we shall meet.*
Government, Regions and Counties (formal planning tasks)

Other interested parties – *Those who we also communicate with*
People living next to the network, land owners, media and suppliers.
Access to Trafikverket

**Intermittent contacts**
- Citizens and Trade and Industry
  - Service and help desk
    - Telephone, Webb, Mail
  - Kundtjänst för väg, järnväg och färjetroff – mål för lösningsgrad
  - Kundtjänst för förarprov – mål för kötid
    (Transportstyrelsens kundtjänst, fortfarande många frågor som ska dit)

**Regular contacts**
- The 100 most important clients in trade and industry
- Partners and other clients
  - Client Managers
    - Client service contractual customers
  - Designated contact person
    - Kundansvariga för avtalskunder
    - Kundservice för avtalskunder
      - En kontakt, snabb återkoppling, krav på hög servicenivå
  - Kontaktpersoner
    - Relationsbyggande, samarbete

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Client Managers

The client managers are important for the relationship between the customer and Trafikverket.

It is vital that the customer finds Trafikverket to be business focused and well informed. Some of the main tools for looking after client relationships are:

- Regular meetings with the client
- Client management and support teams
- Preparing and reviewing of the tracks access agreement and other contracts
- Caring for the client, handling intermediate questions and performing regular following up
- Good knowledge of the clients business, market needs and [end] customers
FAQ and frequent discussions between clients and Trafikverket

- Train paths allocation and associated issues
- Punctuality
- Capacity
- Access to marshalling yards, terminals and sidings
- Access to and functioning of the ITS and IT-systems
- Traffic information handling
Muster up the strength of all parties X 3

- **Identical challenges** for the train services in all three of the biggest cities
- **Coherent and co-ordinated solution by** mustering up the strength of all involved parties in Stockholm/Mälardalen area, West coast area and Öresund

- **Co-operation in the transport sector:** Trafikverket and SJ (national TOC), SL (Regional county transport administrator, Stockholm area), Green Cargo, Västtrafik (Regional county transport administrator Gothenburg area), Gothenburg Harbour, Skånetrafiken (Regional county transport administrator Öresund area), Branschföreningen Tågoperatörerna (Association of Train Operators)

- **In total 128 minor and medium size measures identified**
- **Goal:** 50% reduction of train delays (Stockholm/Mälardalen/West Coast) 25% (Öresund)
- **So far:** Very good results but the winter problems implies a prolonged project plan
In consequence of the deregulation

Our services and our pricing policy shall contribute to the development of our clients businesses and market position. Furthermore:

• The efficiency in the transport system shall increase to the benefit of the passengers
• The capacity allocation model shall be developed further more and secure a fair allocation of capacity
• The use of national railway network shall be optimised
• The pricing policy shall reflect the clients willingness to pay according to market demands
• Measures shall enhance quality in services
Quick facts about Trafikverket

• Mr Gunnar Malm, Director-General

• Head office is located in Borlänge

• Regional offices in Luleå, Gävle, Stockholm, Eskilstuna, Gothenburg and Kristianstad

• The Trafikverket covers the activities of the former Swedish Rail Administration (Banverket) and the former Swedish Road Administration (Vägverket) and some of Swedish Institute for Transport and Communications Analysis (SIKA), the Swedish Maritime Administration and the Swedish Transport Agency’s activities.

• The volume of Transport Administration activity is approximately 47 billion SEK per year, of which:
  – Investments – approximately 26 billion
  – Operations and maintenance – approximately 15 billion