

Preface

My main motivation to write this dissertation has been to evaluate the successes, failures, and factors that influence the competition for public bus transport services. Using Germany as a case study, I explain the institutional framework of this public bus transport market, which several international researchers and market participants have described as incomprehensible. My objective is to provide a basic understanding of the players and their options, offer insights about the German model, and make policy recommendations for consideration by decision-makers and regulatory authorities whose goal is to increase competition for public bus transport services.

The empirical analysis presented is based on primary data that is usually not publicly available, supplemented by numerous expert interviews. I also have a personal interest in the subject, having spent more than 5 years as a consultant on issues of competition and market organization for public transport services (rail and road), now working at civity Management Consultants. To my knowledge, this is the first comprehensive economic analysis of, in the same regime: (1) market initiatives to operate commercial services under exclusivity, and (2) authority initiated tendering procedures for non-commercial services. I hope that this story of Germany's experience proves helpful for other researchers, companies, and policymakers in the struggle to fulfill societal expectations for public transport at a time of global economic uncertainties.

The dissertation is divided into five parts. Following Part I, the introduction, Part II presents a theoretical approach for the analysis of the regulatory framework and the opportunities it offers market participants, and relevant case studies. In Part III I empirically evaluate the conditions for tendering in this market and the experience with the introduction of competition for non-commercial services. The focus is on identifying the barriers to entry and other factors that influence the prices paid by public transport authorities. In Part IV I shift the focus to the competition for

commercial services and try to ascertain whether or not the legal setting is successful in promoting competition in this market segment. Part V summarizes the results on Germany's experience and proposes a model for organizing the contracting and awarding of public transport services in the future.

Competition for Public Transport Services
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