



The challenges for Competent Authorities preparing for market opening

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Kujawsko – Pomorskie Region

Size of the area: 17,971.34 km²

Number of residents: 2.1 mln

Density: 116/km²

Urban: 1.3 mln (61,1%)



Kujawsko – Pomorskie Region

- 1581 km of railway lines (7.4 km/100 km²), half of them are local lines
- 300 trains per day;
- over 6 million passengers per year

operational work 2017: 5.6 mln train-kilometres

Supplement in 2017: 97.8 mln PLN (23.0 mln EUR) + 28 own rolling stock





Experience with open tenders

Kujawsko-Pomorskie Region have prepared 7 open tenders until 2007

The biggest achievement: first 10-years contract for regional rail service in 2010

Open tenders and market demonopolization allows:

- Implementation of a new rolling stock
- Lowering ticket prices
- Introduction of mobilizing elements (penalties)
- Lowering costs

Competent Authorities challenges



Organizational
issues



Social
issues



Technical
issues





Organizational issues


- Launching the tender procedure requires a political decision to break the status quo
- The problem of fair distribution of the market (to avoid monopolization)
 - experience: autonomous packages
- Cooperation with other regions (how to maintain long-distance relations)
- The effects of the tender are distant and uncertain. Problems can appear immediately.




Social issues




- Trade union pressure: not open the market



- Associating an employee - they cannot freely change jobs (eg engine drivers)




- Social dissatisfaction with the award of the tender (dismissal in the loser)



- Uncertainty of employment with short contracts



Technical issues

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- Three large, blue, downward-pointing chevrons are arranged vertically on the left side of the slide, pointing towards the three text boxes.
- Barriers to entry – capital intensity at start: technical background, rolling stock, staff, administration
 - duplicate infrastructure – inefficient use of infrastructure and higher costs
 - lack of cooperation with other rail entities

Experience

Open tender -
settlement of the tender
2 years before start.

Time for preparing technical
background and staff

The contract duration –
min 10 years
(the best: 15 years)

Rolling stock depreciation,
employment certainty, greater
investment opportunities

Region (organizer)
should be owner of
rolling stock

Lowering barriers to entry,
rolling stock standardization



Thank you for your attention!

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