

Annex III – Table summarising contractual practices

The following table summarises the way public transport is organised in the 15 Member States studied:

AT	<p>Public transport is dealt with by Federal law which makes a distinction between Railways and public local passenger transport (both short distance and regional).</p> <p>The Federal Railways Act obliges ÖBB (the national incumbent RU) to carry passengers and provide public service. Aside this Act, the Private Railways Act allows for private RU to obtain financial contributions for infrastructure investment and maintenance. Many private RUs provide short distance and regional public passenger transport.</p> <p>The Federal Short-Distance and Regional Public Passenger Transport Act governs the right to initiate and operate public local passenger transport services.</p>
BE	<p>Two levels of organisation:</p> <ul style="list-style-type: none"> - SPF Mobilité et Transports (for Railways, except metro and tram) – Federal law - Brussels, Flanders and Walloon Regions (for "local" public transport) – Regional law
CZ	<p>The Ministry of Transport is responsible for public transport in CZ which is governed by national laws.</p> <p>Public transport is organised:</p> <ul style="list-style-type: none"> - at national or supra-regional level, by the Ministry of Transport - at Regional level, by the Regional Offices <p>at municipal level, by the Cities</p>
DE	<p>Public road transport operation is governed by the Passengers Transport Act (<i>Personenbeförderungsgesetz, PBefG</i>).</p> <p>In DE, to operate public transport services, the operator must have been granted a licence. The authority which grants the licence is often different from the authority which organises public transport, "<i>Aufgabenträger</i>", which are often the cities and counties (<i>Landkreis</i>).</p> <p>Operators are often mixed-economy companies established under private law but part of the local authority.</p> <p>Public heavy rail transport operation is governed by the General Railways Act (<i>Allgemeine Eisenbahngesetz, AEG</i>):</p> <p>Competition in the market prevails.</p>
DK	<p>The 5 regions shall have their own transport authority to manage bus and local railway transportation. Each transport authority is responsible for the discharge of PSO in the region in question.</p> <p>Railway services on long distance are organised by the Ministry of Transport.</p>
ES	<ul style="list-style-type: none"> - local transport (including urban transport) which is the competence of the Autonomous Communities - interregional transport which is the competence of the State <p>Urban transport is often operated by internal operators; otherwise the service is tendered out to private companies.</p> <p>Public transport is organised on the basis of the territory. Therefore, competent authorities create new bodies to answer the needs of a specific area (metropole).</p> <p>To be able to provide public transport services, the operator must be in possession of a licence.</p>
FR	<p>The State's responsibility in public transport has been decentralised.</p> <p>The local collectivities are competent for organising public urban transport. The Departments are competent for interurban road transport. The regions are responsible for road and rail transport of a regional nature.</p>

	<p>The provision of public transport is often ensured by a public entity taking the form of a commercial and industrial public service, internal operator ('<i>en régie</i>') or by an undertaking pursuant to a contract. The contract sets out the general framework and conditions of the functioning and financing of the service. It provides for the actions to be undertaken by the parties with a view to fostering the effective exercise of the right to transport and to fostering the transport of passengers.</p> <p>The system in Ile-de-France is particular.</p>
HU	<p>National Transport Authority (in Hungarian: <i>Nemzeti Közlekedési Hatóság</i>) is the historical competent authority for public transport.</p> <p>In the 1990s, the responsibility for public transport was partly transferred to the municipalities. The Ministry is competent for regional transport and the municipalities, for local transport. Regulated competition has been introduced in bus transport (competition for the market or off the road).</p> <p>In railways, PSC are compulsory at local level and the schedule should be submitted by the operator before signing the contracts. The competent authority is obliged to pay for the costs not recovered by the incomes. Suburban railway services are not addressed.</p>
IT	<p>According to the Italian legislation, Regions are responsible for organizing local public transport and regional railways services. The competence for local public transport (including metros) is delegated by Regions to Provinces and Municipalities. Passengers railway regional services keep under the regions' competence and responsibility.</p> <p>Net cost contract are the predominant type of contract awarded in Italy.</p>
LT	<p>To be able to provide public transport services, the operator must be in possession of a licence.</p> <ul style="list-style-type: none"> - Local public transport is organised and administered by municipal and district authorities. - Railway services are awarded directly to the national incumbent.
NL	<p>Three levels of organisation:</p> <ul style="list-style-type: none"> o 12 provinces (competent for all means of transport) o 7 Urban regions ('Stedelijke regio's' - competent for all means of transport) o The national administration (only competent to organise national rail services) <p>To be able to provide public transport services, the operator must be in possession of a licence.</p>
PL	<p>Municipalities are responsible for local public transport and are obliged to organise and finance the services.</p> <p>Counties and provinces are responsible for public transport at their level but are not obliged to organise or finance the services.</p>
PT	<ul style="list-style-type: none"> - Ministry of Transport for national services and for services in metropolitan areas (together with local authorities) - Relevant municipality
SE	<p>The national Government (Trafikverket) legislates to ensure basic transport needs are met. Public transport is organised by various competent authorities:</p> <ul style="list-style-type: none"> - The Competent Authorities are the Regions which are competent for all local and regional scheduled transport (even by train). - For train services (where commercial conditions do not exist) extending beyond the borders of a county, a national agency (Rikstrafiken) is competent. <p>PSC are mainly gross-cost contracts whereby the revenues are transferred to the competent authority, often with some positive/negative incentives.</p> <p>There are some net cost contracts whereby the operator receives a (relatively small) fixed amount and additionally the right to keep ticket revenues. In this case, the operator is given some responsibilities as to the design of the services to enable it influence the number of passengers.</p> <p>In SE, the doubling project has initiated a discussion on new contract forms with a view to providing market opportunity and doubling the public transport market share (from 14% to 28%). A type of service concession agreement is proposed with variable trip volume-based remuneration to the operators that is high enough to stimulate their business performance and their willingness to invest in new products and</p>

	services for customers. These agreements will be of a longer duration.
UK	<ul style="list-style-type: none"> - Bus services in England, Wales and Scotland (outside London) are operated on a market initiative basis. Most operators are private companies - Bus services inside London are generally planned by a public authority and operated by contractors - Passenger rail services (except the London Underground and few light rail/metro systems) were privatised in 1996 and 1997. The majority of the network is run under franchise agreements.

The table below summarises contractual clauses for rail transport

Country	PSO	PSC	Compensation	Award	Duration and other procedural aspects
BE SPF and SNCB	<p><u>PSO</u>: defined by law (internal transport, cross-border transport, services for the needs of the Nation) and in the contract (minimum frequency, time range, tariff obligations, growth target, stops, network) in a functional manner.</p> <p><u>Rewards</u>: compensation & exclusive rights</p>	<p>Net cost contract / Network /</p> <ul style="list-style-type: none"> . no parameters of compensation but lump sums . no specific cost allocation rule . no revenue allocation rule . duration . no quality standards, but quality measurement should be externally validated (quality objectives are to be determined by SNCB in a guidebook, on the basis of some indicators described in the contract, approved by the Ministry and the consumers' association and certified by an 	<ul style="list-style-type: none"> - <i>ex ante</i> determination of the compensation and no regularisation following the actual costs incurred (except as regards the RER and for tariff reductions) - no calculation of the net financial effect - account separation and ex post audits to avoid cross-subsidies - no specific remedy to address unforeseen events - broader compensations for delays than under Reg 1371/2007 as incentive, but no penalty or bonus malus system / it is also provided that as of 2012 the financial 	<p>Direct award (operator chosen by law)</p>	<ul style="list-style-type: none"> - 2008-2012 (5 years), may be extended if no new contract has been signed at the expiry of the PSC - since the operator is chosen by law, there is no direct possibility to challenge the choice of the operator. The contract is approved by a Royal Decree which can be as such challenged before the Council of State within 60 days of the decision (same jurisdiction than for the award of a contract under the public procurement rules)

		external auditor) . no provision on subcontracting	management shall be optimised and transparent		
CZ Ministry of Transport and České dráhy, a.s (1/1/2010)	<u>PSO</u> : - By law and - in the PSC ((i) obliges the supplier to secure the public railway transport requirements of the state by the nationwide railways and (ii) obliges the contractor to pay to the supplier the provable loss arisen on the supplier's side as a result of the satisfaction of the obligations thereunder) / functional <u>Rewards</u> : compensation	network both national and international / . exclusive rights - 75% of the services secured . no specific cost allocation rule but cost analysis . no revenue allocation rule . duration (8-9 years) . quality standards (temperature, toilets, minimal capacity, room for bicycles and buggies, 90% of the service on time) . no provision on subcontracting	- <i>ex post</i> regularisation of overcompensation and possibly upon agreement between the parties in the case of undercompensation -no formula to determine the net financial effect - no specific rule to avoid cross-subsidies - possibility to modify the PSC in the case of unforeseen event - penalty for breach of the PSC Note: A future act will set out the rules to determine costs, pay-offs, assets to be taken into account, the maximal return on capital, how to evidence of these elements, the way to determine the financial model, calculation of overcompensation and the way overcompensation has to be reimbursed.	Direct award (RU is state owned)	- 8-9 y - public procurement remedy - publicity as under public procurement rules
FR Région PACA and SNCF	<u>PSO</u> : - by law (LOTI) - in the contract /	Exploitation of transport / gross-cost contract (but with a share in the	- <i>ex post</i> regularisation at the end of the year on the following payment	Direct award (Art. 21-14 LOTI provides that the Regions conclude a	. 10 years . no implicit/automatic extension but possible

	<p>constructive (continuity, quality, tariffs, information, lines, stops, rolling stocks to be used, guidance on the timetables)</p> <p><u>Reward:</u> compensation</p>	<p>revenues where they exceed 93% of the objectives) / Network /</p> <ul style="list-style-type: none"> . parameters of compensation (formula) . cost allocation arrangement between the parties (costs entitled to compensation) but not between the services of the operator . revenue allocation rule . duration (10y) . quality . unspecified possibility to subcontract . social clauses (transfer of personnel) 	<p>(in positive or negative terms)</p> <ul style="list-style-type: none"> - costs inherent in the functioning of the undertaking are fixed and updated following the inflation and costs related to the use of the services of other undertakings are determined following their real value. - formula net financial effect (exploitation costs-specific tariffs-[receipt from traffic revenue+other receipts+indemnities for offences] (but no reasonable profit foreseen) - possible adjustment of the contract for unforeseen events - penalties, bonus-malus as incentive 	contract with SNCF).	extension in accordance with the law
<p>HU</p> <p>State and MAV-START</p>	<p><u>PSO:</u> by contract and approval by the OA of the service schedule / constructive (timetable enclosed)</p> <p><u>Rewards:</u> compensation & exclusive rights</p>	<ul style="list-style-type: none"> . net cost contract (concession) / national network / . parameters for compensation (formula) . scope and nature of exclusive rights - The Hungarian State may award another public service operator to provide public passenger transport 	<ul style="list-style-type: none"> - compensation for consumers' price and additional compensation based on estimates (no <i>ex post</i> regularisation) - specific formula to determine the net financial effect (difference between the <i>reasonable</i> costs and revenues; plus the usual profit within the sector, 	Direct award	29 January 2010 until 31 December 2011 (1 year)

		<p>only subject to damages paid to MÁV-START</p> <ul style="list-style-type: none"> . cost allocation arrangement (Any and all assets, liabilities, incomes, costs and expenditures shall be assigned to an activity) . revenue allocation rule (MAV-START keeps the revenues) . quality and quantitative standards (punctuality, capacity, cleanness, travel information, customer care, ticket control, accessibility) . duration . in case of unforeseen event, the operator has to examine the alternatives 	<p>minus reimbursement of expenses in case of non-fulfilment of expectation of effectiveness)</p> <ul style="list-style-type: none"> - separate accountings as to avoid cross-subsidies - penalty or termination in case of breach 		
<p>IT</p> <p>Liguria Region and Trenitalia</p>	<p><u>PSO:</u> In the PSC (routes, minimum frequency, capacity)/ functional definition by the authority: the programme of execution is to be submitted by Trenitalia prior the entry into force of the timetable, with possible modification in the course of the execution.</p> <p><u>Rewards:</u> compensation & exclusive rights</p>	<p>The PSC confers upon Trenitalia, the organisation and management of the services.</p> <p>In general, in IT, net-cost contract but this does not appear from the PSC / network in the Region of Liguria /</p> <ul style="list-style-type: none"> . no parameters of compensation . the amount of compensation and possible adjustment . no cost allocation 	<ul style="list-style-type: none"> - <i>ex ante</i> determination of the compensation (lump sum covering various costs) but it is paid quarterly on the basis of an invoice stating the actual costs incurred - there is no reduction of the compensation in the event of a reduction of the services due to force majeure - bonus-malus system for quality performance which may not exceed 	<p>Direct award because in the public bidding procedure there were no valid offers (public procurement rules)</p> <p>Based on the exception of Article 5(6) of Regulation 1370/2007</p>	<ul style="list-style-type: none"> . 6 years (2009-2014) possible extension of 6 years under special conditions . claims before the Administrative Court of the Regions and appeal before the Council of State, pursuant to the public procurement rules

		. no revenue allocation . duration . quality standards (punctuality and reliability of services; cleanness and maintenance of rolling stock; comfort and composition of the trains; net sales; information to customers, accessibility to disabled people). monitored by an independent body	33% of the contract value		
LT No contract concluded	/	/	/	/	/
NL Nat Min and NS	<u>PSO</u> In the tender document (programme of requirements) and in the contract (minimum frequency, range of time, stops to be served, tariff / functional (but the parts on the quantity and quality of the service contained in the transport plan which is to be established at a later stage has to be approved by the Minister) <u>Rewards:</u> exclusive rights and compensation	Net-cost contract (concession) / network / . no parameters for compensation (only the information that NS has to give to the Minister) . duration . quantity and quality standards are to be determined by NS in the transport plan following the guidance given in the PSC as well as the evaluation thereof, which is subject to OA's approval . no specific provision on subcontracting	- concession fee paid by NS to the State as of 2009 - <i>ex ante</i> determination of compensation with no <i>ex post</i> regularisation - separation of account as to avoid cross-subsidies - benchmark with other comparable undertakings as incentive for efficiency	Direct award (exception for rail services in the law to the competitive tender)	- 10 years (2005-2015) - possible appeal before the Minister
SE	<u>PSO</u> :	Net-cost contract	- <i>ex ante</i> determination	competitive tender	- 5 years (8 October

Gothenburg – Narvik and Stockholm	in the contract (routes, stops, minimum, frequency, minimum capacity, etc.) / functional <u>Reward:</u> compensation	(concession) / route / . no specific compensation parameters (a formula is provided only for the purpose of regularisation in case the number of passengers increases) . cost and revenue allocation arrangements are provided for in the tender documents . the operator may keep the revenues . duration . quality standards ((i) the traffic consistency, (ii) claims in the event of disruption, (iii) consumer protection and (iv) comfort onboard the trains.) . no specific provision on subcontracting Note: As part of the tender dossier, the competent authority on national level determines the arrangement for the allocation of costs and revenues connected with the provision of PSO services.	of a fixed compensation with <i>ex post</i> regularisation (in positive or negative terms, if beyond control of the parties) - bonus for exceeding quality standards - no specific provision on cross-subsidisation		2007 until 31 August 2013)
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The table below summarises contractual clauses in road transport

Country	PSO	PSC	Compensation	Award	Duration and other procedural aspects
BE Brussels Capital Region and STIB/MIVB	in the contract / functional (referential offer, improvement of the offer, improvement of the frequency, quality certification, cleanness, punctuality and regularity, information, comfort, intermodality, etc) <u>Rewards:</u> compensation & exclusive rights	Net cost contract / integrated network (metro, tram collective taxis and bus) / . parameters for compensation (formula) . duration (2007-2011) . quality standard (reference to ISO standard) . revenue allocation rule (remain to STIB but must be affected in priority to costs and the improvement of the STIB's financial situation) . no cost allocation rule . no provision on subcontract	- compensation for the operations determined on the basis of the historical compensation as updated (with the inflation) and for specific tariff obligations. - <i>ex post</i> regularisation (in positive or negative terms) - specific formula to calculate the net financial effect - separate accounts to avoid cross-subsidies / commercial services have as their final objective to support public services. - no specific remedy against unforeseen events - bonus malus system regarding quality standards, clients' satisfaction and production of km / no economic incentive of efficiency	Direct award / internal operator	5 years Automatic extension of 1 year if no new PSC has been entered into
CZ Ústi Region and Veolia	<u>PSO</u> By law and not further detailed in the contract (functional) <u>Reward</u> compensation	net-cost contract / network - suburb of Teplice / . nature and extent of exclusive rights . no specific cost allocation rule but analysis of the costs to be submitted	- compensation based on the market price - if overcompensation regarding the provable loss, the operator has to reimburse - no specific rule to avoid cross-subsidies	Competitive tender	- 8 years - public procurement remedy - publicity as under public procurement rules

		<ul style="list-style-type: none"> . no specific revenue allocation arrangement . duration (8 y) . the operator may terminate the contract in the case of late payment and the competent authority may terminate in case of substantial breach . quality standard (proximity, fluency, cleanness, upgrade rolling stock) . some conditions on subcontracting 	<ul style="list-style-type: none"> - possibility to modify the PSC in the case of unforeseen event - penalty for breach of the PSC <p>Note: A future act will set out the rules to determine costs, pay-offs, assets to be taken into account, the maximal return on capital, how to evidence of these elements, the way to determine the financial model, calculation of overcompensation and the way overcompensation has to be reimbursed.</p>		
DE Rhein-Neckar-Kreis and PalatinaBus GmbH (bus)	<p><u>PSO</u></p> <ul style="list-style-type: none"> - by law, - in the permission (obligations to operate the service, offer it on a non-discriminatory manner and maintain a tariff system), - in the tender documents and - in the contract <p>lines stops, tariffs of the verkehrsbund, quality, capacity, accessibility, etc, with service design freedom to the operator</p>	<p>Net-cost contracts (concessions) / line bundle for bus services /</p> <ul style="list-style-type: none"> . duration (8 y) . parameters for compensation (schedule/km, destination, etc) . no specific cost allocation arrangement . revenue allocation arrangement (Verkehrsbund) . quality standards . possible adaptation of the PSC if fundamental economic basis or purpose gets distorted . subcontracting is only 	<ul style="list-style-type: none"> - <i>ex ante</i> determination of the compensation by the bidder (compensation = vehicle costs + labour costs + energy costs + other costs - all income generated in the line bundle) <p>with possible regularisation <i>ex post</i> (on the basis of the actual KM run, in positive or negative)</p> <ul style="list-style-type: none"> - no specific provision to avoid cross-subsidies - malus system on the compensation if quality is not met and termination in 	On the basis of Article 5(3) Regulation 1370/2007 - competitive award	12.12.2010-08.12.2018 (8 years)

	<u>Rewards</u> exclusive rights (but only for the contract services) & compensation	possible subject to the competent authority's approval	case of repeated breach		
FR Bordeaux and Keolis	<u>PSO</u> Policy defined by the City – PSO defined in the contract / functional but very detailed (frequency, km, etc) based on a reference bid <u>Rewards</u> exclusive rights (not clearly defined) & compensation	Gross-cost contract / Delegation of service – the City provides the rolling stocks / network / . duration (5 y) . quality standards (safety, comfort, accessibility, regularity and rapidity) + reference to EU norms (ISO and NF) + people with reduced mobility + information and control . obligation to take over at the start of the contract and to transfer at the end of the contract, if there is a change of operator, the personnel. . revenue allocation provision – revenues accrue to the City up to a guaranteed amount. The surplus is shared 50-50 between the parties. . no specific cost allocation rule but requirement to create a subsidiary for the execution of the PSC . subcontracting is allowed up to 20%. This limit does not apply in case of exceptional situation and subject to the City's	- <i>ex ante</i> determination of the compensation based on a reference bid, with annual <i>ex post</i> adjustment due to inflation or modification of the reference bid - bonus-malus linked to . the evolution of incomes, . the evolution of the number of passengers . compliance with quality standards . the evolution of the fraud rate . the specific objectives for people with reduced mobility - penalties for non-compliance of the commitments linked to the quality of the service and the fight against fraud - share of productivity gains - compliance with the public service continuity plan - no specific rule to avoid cross-subsidies between commercial and public services but requirement to create a subsidiary - possibility to modify the	competitive tendering	1.01.2009 – 31.12.2013 (5 years)

		approval. There is no limit in subcontracting where the subcontract does not relate to transport.	PSC in the case of unforeseen event		
HU State and Tisza Volán	<u>PSO</u> By law and in the contract / constructive (timetable) <u>Reward</u> compensation & exclusive rights	Concession . parameters for compensation (formula) . nature and scope of exclusive rights - in the region (Csongrád county) . cost and revenue allocation arrangements . duration . subcontracting provisions (since amendment) limited to 30% . in case of unforeseen event, the operator has to examine the alternatives	- compensation for consumers' price and possible additional compensation if the operator asks for exemption from providing public services causing certified economic disadvantage, and the competent minister orders the public service operator to provide public services as mandatory obligation. - formula for the net financial effect (direct and sales expenses and costs may be accepted up to the amount provided by the public service operator; while <i>indirect</i> and general expenses and costs may be accepted up to the lesser amount of the <i>sector average</i> and the actual amount provided by the public service operator. The public service operator must report its actual indirect and general expenses and costs to the competent authorities; but the compensation	Internal operator (hold at 99,14% by the Hungarian State and the remaining shares are of the employees) only active in Dél-Alföld (south-eastern region in Hungary).	11 years (1 January 2005 0:00 until 31 December 2016 24:00)

			<p>amounts may not be higher than justified by the sector average)</p> <ul style="list-style-type: none"> - <i>ex post</i> regularisation (in the form of adjustments of the compensation amount of the following year) - separate accountings as to avoid cross-subsidies 		
<p>IT Municipality of Rome and ATAC S.p.A.</p>	<p><u>PSO</u>: PSO are defined in another document which is not available</p> <p><u>Rewards</u>: compensation & exploitation of advertisement spaces</p>	<p>Net-cost contract (concessions) / integrated network /</p> <ul style="list-style-type: none"> . the amount of compensation and possible adjustment . no cost allocation . no revenue allocation . duration . quality standards (amount of the surface services, amount of the underground services, management of the ancillary services, planning of the services, sale network, tariff evasion, information at the stops, relationship with the users) . no provision on subcontracting 	<ul style="list-style-type: none"> - <i>ex ante</i> determination of the compensation (annual fee for a certain amount of KM) and additional compensation for reduced tariffs - no specific formula to calculate the net financial effect - cross-subsidisation is not addressed PSC - penalties (of max 2.000.000 €) for not meeting the quality standards and recovery of loss through efficiency as an incentive 	<p>Internal operator (wholly owned by the City of Rome)</p>	<p>6 years (2005-2011)</p>
<p>LT Kaunas City Municipality and UAB Kauno autobusai</p>	<p><u>PSO</u>: in the contract / constructive (specific routes (specific streets), number of stops (specific final stops), length of each route (km), number of trips, number of buses,</p>	<p>Net-cost contract (concession) / bundle of routes (city of Kaunas) for bus services /</p> <ul style="list-style-type: none"> . duration . quality [transport vehicles (general, environmental, technical 	<ul style="list-style-type: none"> - the compensation is determined on the basis of actual monthly costs incurred and paid monthly - and calculation for each route whereas the PSC relates to a whole network - specific formula to 	<p>competitive tender</p>	<ul style="list-style-type: none"> - 5 years with a possible extension of 5 years - Rules on Organization of Tender for Selection of Carriers (Operators) for Provision of Public Service Obligations and on Conclusion and Termination

	<p>total run (km)</p> <p><u>Reward:</u> compensation</p>	<p>standards, etc.), public passenger transport services (punctuality, reliability, revenue collection, information standards, etc.), customer services (customer satisfaction standards, etc.)]</p> <p>. parameters for compensation (reference to a specific legislation of 2003)</p> <p>. cost allocation arrangement between the parties (who bears which costs: the Operator: costs related to public transport vehicles, certain costs related to provision of time-tables and information to the passengers (customers), costs related to production, distribution and sale of tickets, costs related to revenue collection and passenger control.</p> <p>The following costs are allocated to the authority: costs related to public transport infrastructure (bus stops, terminals, roads, designated road lines), certain costs related to provision of time-tables and</p>	<p>calculate the net financial effect</p> <p>- separate accounts to avoid cross-subsidies. In addition, the PSC confirms the Operator's right to the revenue generated from other activities, subject that the revenue from such activities covers all its related costs and subject that such activity does not impede the discharge of PSO.</p> <p>- no specific remedy for unforeseen events</p> <p>- penalties for poor quality and bonus for meeting quality standards</p>		<p>of Public Service Contracts, approved by the Resolution No 1132 of 4 September 2003 of the Government of the Republic of Lithuania</p>
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		<p>information to the passengers (customers).) but not between the services of the operator</p> <ul style="list-style-type: none"> . revenue allocation arrangement according to which the operator keeps the revenues quality standards (transport vehicles (general, environmental, technical standards, etc.), public passenger transport services (punctuality, reliability, revenue collection, information standards, etc.), customer services (customer satisfaction standards, etc.). . subcontracting is allowed subject to the OA's approval 			
NL Province Gelderland / specimen	<p><u>PSO</u> in the tendering documents / functional but the bid should be ready to use</p> <p><u>Rewards</u> exclusive rights (on the territory) & compensation</p>	<p>Net-cost contracts (concession) / route or network /</p> <ul style="list-style-type: none"> . duration . no parameters for compensation . no specific provision cost allocation . revenue allocation arrangement (to the operator) . no specific quality standard . no provision on subcontracting 	<ul style="list-style-type: none"> - compensation as agreed on the basis of the tender - no calculation of the net financial effect - no provision to avoid cross-subsidies - possibility to adapt the contract - penalties as incentives 	competitive tender	<ul style="list-style-type: none"> - for bus services 10 years (December 2010 to December 2020) - for train services 8 years (December 2012 - December 2020) (The PSC in Veluwe lasts 6 years with a possible extension of 4 years).
UK South	<u>PSO</u>	Gross or Net cost	- compensation is based	Competitive tender	8 years max

Yorkshire / specimen	<p>in the tendering documents and in the contract / constructive (timetable, etc.)</p> <p><u>Reward</u> compensation</p>	<p>contracts / route or network /</p> <ul style="list-style-type: none"> . parameters for compensation (contract price + adjustment) . no specific cost allocation arrangement . no specific revenue allocation arrangement . duration . quality . subcontracting allowed subject to prior notification to the OA 	<p>on the contract price and the effective service provided</p> <ul style="list-style-type: none"> - application of the no better off no worse off principle (no over nor under -compensation) - delays in payment are subject to an interest - breach of contract may lead to penalty, step in, termination (partial or total). 		
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