

RESOLUTION No 1979/40 ON SUBSIDIZATION OF URBAN PUBLIC TRANSPORT

[CM(79)7]

The Council of Ministers of Transport, meeting in Belgrade on 30th and 31st May 1979,

HAVING CONSIDERED the report of the Committee of Deputies on the subsidization of urban public transport [CM(79)7];

BEARING IN MIND that urban transport situations differ in individual countries and cities and that much of the responsibility lies with local government administration, is of the opinion that central governments have a financial and policy interest in urban public transport, for which in many cases Transport Ministers are responsible;

NOTING that, whilst levels of subsidy vary between countries, subsidy and costs increased in the period 1965-1977 in all countries studied;

FURTHER NOTING that there is considerable variation in patronage trends between countries which can only partly be explained by the trends in subsidy, fares and service levels;

ADOPTS THE FOLLOWING CONCLUSIONS:

- Subsidies help sustain public transport but other factors may be more important in persuading people to switch to public transport from private cars;
- Costs and subsidies are likely to go on rising unless effective counter measures are taken;
- There is some evidence that subsidies in themselves tend to encourage higher costs and lower efficiency;
- There is scope for further studies to understand better the public transport trends in different countries, the effect of subsidies and how to control them, and to clarify the role of traffic restraint in encouraging use of public transport and the relationship between public transport and land use. In this connection, relevant work in other Organisations should be taken into account.

RECOMMENDS:

- that this report and resolution be distributed to all concerned with the operation of and payments for urban public transport;
- that subsidies to urban public transport should be seen in the context of policies relating to the urban environment.

INSTRUCTS the Committee of Deputies to put in hand further work suggested in their report, having due regard to work being undertaken in other International Organisations, and to the policy interests which have been identified by Transport Ministers in their discussion of this report.