CONFERENCE ON IMPLEMENTING SUSTAINABLE URBAN TRAVEL POLICIES IN RUSSIA AND OTHER CIS COUNTRIES

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EXPERIENCE OF DRESDEN IN THE IMPLEMENTATION OF AN EFFICIENT, INTERMODAL SYSTEM OF PUBLIC TRANSPORT TRAFFIC MANAGEMENT

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It is indeed a great delight and a great honour for me to have the opportunity of addressing you here in Moscow and – based on the example of the Dresden Public Transport Services AG – to speak to you about the progressive development of a planned-economy, inadequately efficient company with a low-level image to a market-economy-orientated transport company that is now economically sound and has a high-image value. Due to the limited short time available for me right now I can, of course, only sketch out many aspects – but perhaps many discussions will result in the process for which I am gladly at your disposal.

Deep down inside I am fully convinced that only an efficient and economically stable public local transport system can sustainably secure the viability of medium- and large-size cities. The notion that a city can be designed in a way compatible with the private car has proved to be a delusion – and this fact has been painfully highlighted with the example of American cities. In the long run, these cities consist only of extra-wide streets, parking lots and separately isolated city areas located in between. The urbanity as well as the character of our beautifully developed cities all over Europe would be destroyed in the process.

Proceeding on this awareness the City Council of Dresden, following German reunification, decided on a traffic concept which stipulates the public local transport system and here in particular the tram as the backbone for the sustained mobility of the approximate 500,000 inhabitants of the major city of Dresden. Up to now, this concept has been the guideline for all transport-political and, subsequently, financial decisions and is being presently updated because the dynamic city is, of course, in a constant state of change.

Against this background and the corresponding financial support by the German Federal Government, the Free-State of Saxony as well as the State Capital of Dresden, particularly for investment measures for the infrastructure – where, for example, the DVB AG fortunately has the responsibility in contrast to Russia and other states – of workshops and service yards, we succeeded on the whole in transforming the DVB AG into a competitive company over the past 14 years.

This was not only the task assignment of the management, but also that of the company staff – where the works council and the union have made a considerable contribution towards this positive development.

I would now like to talk about the individual steps we have taken in the past. The DVB AG operates a tramway network that is about 130 km long, a bus route covering about 200 km, 3 ferries crossing the river Elbe as well as a funicular and cable car transport system. Every year, about 140 million passengers are transported by a staff of approximately 1750 persons.

The DVB is incorporated in a holding in order, of course, to balance out before taxes the not completely reducible losses of transport through the profits of the supply company DREWAG (gas, water, electric power, district heating). The DVB AG itself has various transport affiliate companies such as the Dresden Transport Service Company GmbH, Taeters Tours GmbH and the Meissen Transport Company with low-level wage tariffs, and together with Hamburg the VerkehrsConsult Dresden-Hamburg GmbH (VCDH), with which the in-depth know-how of the DVB AG is successfully marketed worldwide.

We have a company-internal center structure where all performances undergo offset charging between the centers. The individual managers are paid partly in dependence of the results they achieve. This also establishes a certain cost awareness and cost clarity within the company. Both for the effectiveness as well as for the customer, it is of utmost importance that the company forms a unit over all the various sections and, beyond this, is incorporated into an integrated transport system in the Upper Elbe region. For the individual passenger this means that he can use all co-ordinated transport means from the regional express to the suburban train, the tram, the buses of all companies and even the ferries and the cable railway. He
can do all this with one single tariff and one single ticket, and he can change from one transport means to another as he pleases.

Let me also mention something else. The Board of Directors of the DVB AG – consisting of three persons – is fully responsible for all business operations of the company. In just four annual meetings of the Supervisory Board, the outline conditions are stipulated in principle. The Supervisory Board, under the chairmanship of the Lord Mayor and consisting of 10 shareholders and 10 workers representatives, does not intervene in the operative business nor in investments once they have been approved. This is also an essential prerequisite for a continuous and an effective target-orientated company policy.

What shape was the company in following the collapse of the GDR in 1990?

-- There was a large number of local facilities;
-- 60 km of the approximate 270 km single tracks were in a bad condition;
-- the technical availability of the vehicles was below 70%;
-- only 32% of the former staff of 4200 co-workers were productively assigned as drivers, 68% performed service work for the travel service;
-- cost coverage was below 17%, the annual deficit amounted to 100 million Euro with approx. 120 million passengers.

This intolerable state of affairs could have led the public local transport into a fiasco. However, thanks to the enormous pressure of the State capital city Dresden as the owner, the availability of considerable financial funds, as already mentioned, for investments, the comprehensive competence of the company for routes, buses and trains, but also for sales and marketing, we succeeded in improving the situation fundamentally to a substantial degree:

-- Slow travel slots were reduced and the quota of separated tracks increased.
-- Concentration was focussed on a few locations.
-- The availability of the vehicles is now over 90%, and their number has been also been drastically reduced in the process.
-- A low-floor system for the vehicles and platform edges raised to 23 cm facilitate an extensively barrier-free and quick access for all passengers.
-- The number of staff was reduced from 4200 to the present level of 1750, there will be a further reduction of 100 persons over the next three years. And very very important, the quota of driving personnel was increased to 50%, while that of the service sectors was reduced from 68% to 50%.
-- In December 2000, an agreement was reached with the workers council and the union that there would be absolutely no wage increases up to the year 2009, and that all staff members would additionally work of a total of 13 to 14 days annually without pay. With the resulting job redundancy, we reach the competitive level in 2007 and are then prepared for the tender bidding of performances.
-- The annual deficit dropped to almost half. The investments, however, were in the region of 60 million Euro annually also.
-- The degree of cost coverage has increased to 66%, and we will achieve the 70% level in the coming two years.
-- By contrast with the slight decline in the population, the number of passengers has increased from 120 to almost 140 million.

Ladies and gentlemen, the time available is unfortunately too short to present to you all the developments with regard to technical, company-internal and transport aspects. However, I would like to pick out some highlights:
Within the framework of a computer-supported operational master control system, each vehicle transmits its location every 15 seconds to the control room. By means of the comparison of the required vehicle position with the actual status position, any possible deviations from the schedule are identified and the dispatcher can intervene if required in any given situation.

This information is passed on to many stops as well as to the call-center. And in future it will be transmitted into the vehicles and by way of SMS or WAP to the passengers by mobile telephone as required. The transport service of the DVB AG has become transparent in this way.

Versatile marketing campaigns provide us with active support and attract new passengers. In addition, they boost our image – politically a very important aspect!

The CarGo Tram is unique worldwide and transports components for the Phaeton car model into the VW production plant on a “just-in-time” basis by way of the normal route network.

The philosophy of the DVB AG is shown again on this chart. We want to be the allround mobility service provider for all citizens of Dresden.

Ladies and gentlemen, just a few words to finish off. Mr. Rat has presented the Dresden Declaration of April 2004. It is also a result of our own experiences and our observations.

Please let me direct a few words to the politicians: give the companies the financial and organisational power they need for existence, but also insist on controllable successes. Don’t allow private operators to cannibalise public local transport in parallel. What we need here is cooperation and supplementation, but not competition to the disadvantage of passengers and at the expense of municipal finances.

Finally, a brief word to the company managers: transform your companies into economical and customer-orientated enterprises. In a way, we all live like the baker selling bread at the corner. Please remember, he depends on the customers for a living – it is not the other way round. Together with your owners, give top priority to bringing your rail networks into an acceptable condition. Only then will your tram systems be attractive and will be supported by the public. The procurement of modern vehicles is then the next step.

Get to work and tackle the problems. We are gladly willing to help you with the solution.