

**To: Ursula von der Leyen
President of the European Commission**

**To: Charles Michel
President of the European Council**

**To: David-Maria Sassoli
President of the European Parliament**

Brussels, 13 May 2020

OPEN LETTER :
**European CEOs and city representatives call for local public
transport to be a key sector in the European recovery plan**

Dear Mrs. von der Leyen,

Dear Mr. Michel,

Dear Mr. Sassoli,

As the European Union is preparing its recovery strategy, we would like to draw your attention to the importance of the local (urban, sub-urban and regional) public transport sector for the European economy and its key role in fulfilling many of the EU's policy objectives and Sustainable Development Goals. We have also gathered data about the crisis short-term and long-term impact on public transport across Europe.

During the past weeks, the huge benefit of public services became evident: transport companies have been providing an essential mobility offer to citizens and supporting the well-functioning of the State. **Today, on behalf of all the public transport operators, authorities and supply chain industries represented by UITP¹, we call upon the European institutions to include the urban public transport sector amongst the strategic sectors that are included in the EU's recovery plan and will benefit from European financial recovery measures.**

¹UITP represents more than 450 major public transport operators and authority from all EU Member States.

I. Public transport is a key accelerator of the economy, job creation, social inclusion and sustainability

There are many strong arguments highlighting the benefit of local public transport for the European economy and recovery.

Number of passengers

Never have European citizens used public transport as much as in the years leading up to 2019, not least thanks to its strong environmental advantage. Prior to COVID-19, public transport in Europe counted almost **60 billion passenger journeys per year**. In comparison, long-distance rail transport accounted for 1 billion passenger journeys and commercial aviation for another 1 billion.

Public transport is essential to reduce traffic **congestion**, which costs the European economy 1 percent of the GDP, €100 billion per year. According to statistics from Germany, if all German public transport users were to go by car, additional 86,5 billion car-kilometres would be shifted onto the roads.²

Contribution to the economy

Urban and local public transport services in Europe contribute between **€130-150 billion per year** to the economy. This is **1.0-1.2 percent of the GDP**.

Annual public investment in local public transport accounts for **€ 40 billion**.

The economic benefits of public transport are five times higher than the money invested in it.³ Transport unlocks positive effects in the wider economy, for example by connecting people to their jobs, training and leisure activities, allowing for clustering of activities and business development, improving quality of life, supporting tourism, stabilising property values, and helping to regenerate cities or deprived areas through transport connections. Similarly, large rail projects such as “Grand Paris” or “Crossrail” in London

² <https://www.vdv.de/daten-fakten.aspx>

³ UITP source. <https://www.uitp.org/sites/default/files/cck-focus-papers-files/PUBLIC%20TRANSPORT%20-%20MOVING%20EUROPE%20FORWARD.pdf> ; Similarly, a regional calculation from Cologne: https://www.stadtwerkekoeln.de/fileadmin/media/downloads/kvb/Mobilitaet_in_Koeln.pdf

have been described as regeneration projects with wider economic benefits largely surpassing their cost.⁴

Public transport companies themselves **invest** heavily into their networks. Many economic sectors, such as the **construction sector, the supply industry, manufacturers, and IT service providers** are recipients of these investments. Very often, these investments benefit **local SMEs**.⁵ Based on various local studies, from every 1€ spent by the transport operator, around 0.75€ ends up in the own region.⁶

Public transport offers **equal opportunities** to all citizens. In Sweden, one third of the population depends on public transport as only means of travel. 60 percent of people depend on public transport at least partly.⁷ In Berlin, more than 35 percent of employees have a subscription for public transport. In Madrid, two thirds of occupational trips rely on public transport.

According to a German study, **if public transport had to be reduced by half, this would create five times higher costs to the overall economy and society than it would cost to finance the continuation of services**.⁸

Jobs

Public transport creates local jobs. The public transport sector is amongst the largest employers at local level, **employing 2 million people in the EU**, i.e. 20 percent of the 10 million people employed in the overall transport industry.

For instance, RATP Group employs 50,000 persons in France and plans to recruit more than 4,000 people in 2020. It is one of the main employers in the Ile-de-France region. In the whole of France, local public transport employs 150,000 staff. In Madrid, the

4 UITP policy Brief, Public transport as an instrument for urban regeneration
<https://www.uitp.org/sites/default/files/cck-focus-papers-files/Policy%20Brief%20-%20PT%20and%20Urban%20Regeneration-BAT-WEB-300DPI.pdf>

5 For example, in the Ile-de-France region, RATP invests €1.7 billion per year (35 percent of its turnover) into its network. 65 percent of RATP's suppliers are SMEs. The "Grand Paris" project mobilised almost 2000 companies on construction sites, including 863 SMEs of the Ile-de-France region.

6 Example of Nürnberg, Germany:

https://www.vag.de/fileadmin/user_upload/06_dokumente/Daten_und_Fakten/daten-fakten-band-05-nuernberg-vag.pdf

7 www.svenskkollektivtrafik.se/globalassets/svenskkollektivtrafik/dokument/fakta/branschfakta/kollektivtrafik-ens-samhallsnytta-folder-20172

8 German study "Finanzierungsbedarf des ÖPNV bis 2025".

integrated transport system directly employs 30,000 persons. The STIB is Brussels' largest employer with 9,500 employees.

Public transport companies provide many different types of jobs, from less qualified to highly qualified profiles, and **employ staff with very diverse backgrounds**. Most companies are also champions in offering **vocational training** positions, including to huge numbers of young people.

Importantly, public transport provides secure **local jobs**, which cannot be delocalised abroad.

Health & Sustainability

Public transport encourages **active lifestyles**, as most journeys involve walking or cycling to and from public transport stops. The health benefits associated with active travel include positive impacts on diabetes, mental health, obesity and a decreased risk of cardiovascular disease and different types of cancers.⁹

Thanks to public transport services, air quality can be improved.¹⁰ It appears that **air pollution** contributes to more severe cases of the COVID-19 disease, while a healthy lifestyle and environment helps to build resilience.¹¹

In terms of avoiding climate change, public transport is the most climate-friendly way of traveling besides walking and cycling. In the Ile-de-France region, for example, 2.4 million tons of CO₂ are avoided every year thanks to the local public transport operator.

It is essential to have a strong public transport sector in order to reach the EU's climate targets. The objectives of the Green Deal will not be met without public transport as number one priority.

II. Public transport is fighting to survive the COVID-19 crisis

Since the outbreak of the Corona virus, the local public transport sector has been hit hard and is now literally fighting to survive. First available data from various European Member States show that the passenger transport sector's ecosystem is and will continue to be

⁹ https://www.uitp.org/sites/default/files/cck-focus-papers-files/UITP_Policy_brief_Healthbenefits_WEB.pdf

¹⁰ It is estimated that public transport saves 20 million car trips a day in Germany alone. **Every kilometre travelled via public transport saves 95 grams of GHG emissions and 19 grams of NO_x** compared to using motorised individual transport. (<https://www.vdv.de/daten-fakten.aspx>)

¹¹ <https://www.theguardian.com/world/2020/may/04/is-air-pollution-making-the-coronavirus-pandemic-even-more-deadly>

heavily affected. This impacts local public transport authorities, operators, subcontractors, new mobility providers, the construction industry, the IT industry and the supply industry alike.

The main problem is a **dramatic decrease in farebox revenues**. Within just days and weeks since mid-March, passenger numbers dropped by up to 90 percent. Nevertheless, most public transport companies – whether public or private – maintained a high level of service (between 70 and 100 percent of the normal offer), not to mention additional expenses due to cleaning/disinfecting, providing masks to staff, and implementing safe distancing measures (which also results in the need of more vehicles to transport all passengers). Savings via reduced staff costs, that other sectors benefited of, were mostly not possible. **It is evident that receiving not more than 10 percent of ticket revenues while maintaining up to 100 percent of the service is not financially sustainable.**

A rough estimation for Europe-wide farebox revenue losses in urban and local public transport is around **€40 billion until the end of 2020**.¹² More detailed **data on national and local** economic losses due to reduced farebox revenues can be found in the annex to this letter.

UITP expects that reduced passenger numbers and the loss in farebox revenues will last for more than a year – possibly 2 years or longer – due to the gradual opening of the economy, schools and social life, the “new normality” involving more digital interaction and safe distancing. Passenger numbers are expected to remain below pre-COVID-19 levels for a while, not last because users’ trust into public transport needs to be regained.¹³

As public budgets are under stress, the **public contributions to public transport need to be carefully assessed and supported as well**. These contributions are often based on various taxation systems at national or regional level (the most famous being the “versement mobilité” in France), which are impacted by the crisis.

The COVID-19 pandemic has demonstrated that urban public transport is essential and a common good we have to preserve. The sector is strongly inter-linked with many other economic sectors and develops economic benefits that are five times higher than its own

¹²The revenue losses due to reduced ticket sales in Germany’s urban and local public transport is €5-7 billion until end of 2020 under different scenarios. As the German public transport market represents 10 billion passengers out of 60 billion, this amount was multiplied by 6.

¹³For comparison: after the terrorist attack in the Brussels metro in 2016, it took nine months before ridership went back to normal levels.

turnover. Moreover, the crucial objectives of the Green Deal will not be met without a clear priority given to public transport. Consequently, public transport and local mobility systems are vital to the recovery of the European economy, both in the short and long term.

The survival of public transport therefore should be a priority for decision-makers at European level. We urge the European institutions to include local public transport in the European economic recovery plan and ensure that the sector can benefit from European financial recovery measures.

We remain at your disposal for any further information you may require.

Yours sincerely,



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UITP President



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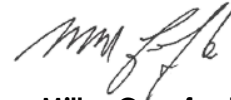
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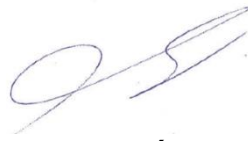
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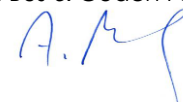
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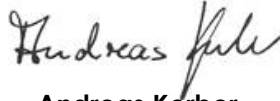
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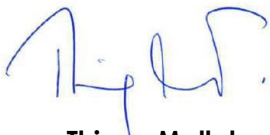
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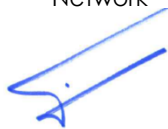
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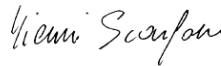
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Annex: Preliminary data on the economic impact of the COVID-19 pandemic on the local public transport sector

The below list contains first data and estimations from UITP members, received by 7 May 2020. Further data will be added over time and the data might be subject to updates as the situation evolves.

Member States

- For the whole of Germany's public transport sector, the loss is estimated to be between €5 billion and €7 billion, depending on the scenario.¹⁴
- In France, outside Paris, the loss in farebox revenues for local transport is estimated to reach more than €1 billion by the end of the year, and losses related to the reduced "versement mobilité" are expected to be €2 billion. In Ile-de-France region, the financial losses for the public transport authority (Ile-de-France Mobilités) is around €1 billion in two months (mid-March to mid-May), due to the double loss of farebox revenues and the "versement mobilité".
- In the Netherlands, the estimated financial loss for urban and regional public transport in 2020 is between €0.8 billion and €1.0 billion.
- In Spain, the sector currently loses €250 million per month in fare revenues.
- In Portugal, the estimated current loss is € 80 million per month in fare revenues.
- In Sweden, the farebox revenue losses are around €100 million per month.
- In the Finnish urban public transport market, by the end of the year, the loss is estimated to be €192 million.
- In Norway, the reduction in ticket income from the months March and April caused losses of ca. €100 million; by the end of the year it is expected to be €400 million. Additional costs due to safe distancing in school buses will be ca. €134 million, hence a total delta of about €625 million in 2020.
- In Italy it is estimated that the loss of farebox revenues will be € 1.5 billion in 2020 with a 50% reduction in passenger numbers.

Networks

- In RATP's network in Paris, passenger numbers dropped by 95 percent since mid-March. At this stage, the losses of farebox revenues during two months is around €320 million.

¹⁴ German Transport Association VDV: https://www.vdv.de/presse.aspx?id=76a94e99-4db2-4255-b237-d443b3aeeb4d&mode=detail&coriander=V3_77f377ca-889a-76ab-bf9a-7918b2fa88cb

- €150 million of revenue losses are expected in the Helsinki metropolitan region in 2020.
- Losses of €150 million are also expected by Berlin's municipal operator BVG for the year 2020.
- In the network of Wiener Linien in Vienna passenger numbers dropped by 80 percent since mid-March. Wiener Linien expects revenue losses of around €100 million by end of 2020.
- While ATM – Azienda Trasporti Milanesi operating in Milan, has granted 75% of a winter regular schedule service during lockdown (from mid-March), the decrease in ridership rate equalled -95%. From 4 May, when lockdown has been alleviated, the schedule for the entire network (frequencies and timetables) is 100% of a normal working day. For this re-start phase Italian Authorities have introduced obligation to wear face mask and gloves and respect 1 mt physical distancing, which entails a drastic reduction in the transport capacity: the transport means will only be able to guarantee approx. 25% of the normal load capacity. Losses of €250 million are expected for the Milan integrated fare area by the end of 2020.
- In Bologna, since the lock-down started (mid-March), the drop in passenger numbers amounts to over 90% compared to normal times. Meanwhile, the transport offer was reduced by only 20%. By comparing the month of March 2019 and 2020, Tper (Trasporto Passeggeri Emilia-Romagna) has found that the number of tickets sold is around 4.5 million less than in the previous year.
- In the whole Emilia-Romagna region, since the lock-down started, there has been a reduction of farebox revenues of transport operators of approximately € 20-25 million per month.