

Summary Narrative (re)-municipalization public transport Bad Kreuznach

In October 2022, the two counties/ administrative districts Bad Kreuznach and Mainz-Bingen together with the city of Bad Kreuznach founded a public transport company – KRN Kommunalverkehr Rhein-Nahe GmbH (private limited company) - , which has since then been serving the area stretching these counties and the city within the transport association Rheinhessen-Nahe Nahverkehrsverbund (RNN).

However, only 51% of the busses are run by the publicly owned company. The remaining 49% are still run by private bus companies.

The start of the new municipal bus company coincided with the implementation of a new public transport concept for the region.

Specific Questions

- (1) What led the private operator to want to withdraw? (We understand that they were not making money, but curious if this was the situation pre-pandemic or not.) Were there other issues? (E.g., often a private operator losing money doesn't exit mid-contract but just either tries to secure better terms next contract cycle or exits at the end of the contract, so this may be a little unusual.)**

According to the county commissioner for Bad Kreuznach Ms. Dickes of the Christian Democrats, the private operator did not withdraw prematurely and not due to making losses, a new call for tender had been due anyways, the contract had expired on time. Subsequently the county administration started an Expression of Interest (EOI) procedure for commercially operating the bus transport services in the county. This did not yield any applications. This was the prerequisite for the municipalization.

- (2) What type/volume of services are within the scope of these operations? (I think it's just BN city and regional buses, but that should be confirmed). How have services changed since re-municipalization? (The press says services doubled, but that was as of 2022, so has this level changed (up or down) since then? Also, was this increase relative to pre-pandemic service levels)? Aside from just frequency, are there other changes? The announcement about service increase was about supply; are there changes in utilization (e.g., more riders) as well?**

KRN renders exclusively bus transport services in the city of Bad Kreuznach, the surrounding county of Bad Kreuznach as well as the county Mainz-Bingen.

As of October 2022, bus services have massively increased. Prior to municipalization and the start of the new public transport concept there were basically only school busses around, again according to county commissioner Dickes.

The question regarding changes in services and the number of riders can not be answered only in terms of a change of ownership (pre-municipalization and post) because, as mentioned above, it coincided with the implementation of the new public transport concept which is subsequently responsible for the increase in services as well as new connections. Now there are new routes, new stops, new schedules.

In terms of ridership a temporal comparison is difficult or would be flawed. However, Dickes stated a slow increase in ridership numbers since the start roughly two years ago.

Utilization of the new bus services by people differs significantly from more urban areas, particularly city of Bad Kreuznach, and more rural areas. Ridership numbers rise more significantly in Bad Kreuznach because of convenient frequency. People in small remote villages with busses still only running a few times a day are still reliant on their cars but will use busses more so over the weekends on leisure time (for example getting to vineyards etc.).

(3) How have costs to (a) government and (b) users changed compared with the time when the services were privately operated? If government funding has increased, where are those funds coming from?

Costs have almost tripled according to Dickes, from 6Mio Euro to 17 Mio Euro. However, again this is not due to municipalization but to the new public transport concept which called for an immense increase in public transport services, and the cessation of the principle of commercial viability (meaning the private bus companies subcontracted by the public are paid by run kilometers not riders; so, no matter how many people are on the bus, they are paid for rendering the bus service by kilometer;)

Dickes stresses that a serious comparison should not be temporal. Instead, data should be compared from other (neighboring) rural counties in which bus services are run 100 percent by private companies.

Ticket prices are determined by the transport association Rheinhessen-Nahe Nahverkehrsverbund (RNN). In April 2023, roughly half a year after municipalization, RNN increased ticket prices on average by 5%, single trip and day tickets, however, only by 1,4%.¹ This was justified by increased costs for fuel and personnel; and again, as of January 2024.²

(4) How do stakeholders (primarily (a) government and (b) users) regard the re-municipalization now? (i.e., was it good thing to have done?)

I have talked to county commissioner Dickes (CDU), municipal politician Jürgen Locher (Die Linke), as well as trade union secretary (verdi) Marco Bärschneider. The overall assessment of all three of them was extremely positive. I will state the pro-arguments first and then add some of the criticisms uttered.

Ms. Dickes stated first and foremost her willingness to assume responsibility for work conditions of bus drivers. Prior to municipalization there was a lot of frustration on her part whenever confronted with complaints from citizen especially regarding the unreliability of school busses because she had no real influence on the contracted bus companies. Also, she pointed to the fact that she thought it politically necessary to advance public transport in her rather rural electoral region. She very much appreciates the new flexibility in terms of changing frequency, and in terms of routes which can be more easily adjusted as needed, also in term of the size of busses in operation. The local government can also start pilot project with busses on demand, delivery of groceries to particularly remote villages etc.

¹ <https://www.allgemeine-zeitung.de/lokales/rheinhessen/rhein-nahe-nahverkehrsverbund-erhoeht-die-preise-2505430> ; <https://www.mainz-bingen.de/de/aktuelles/meldungen/2023/1658283614.php>

² <https://www.mainz-bingen.de/de/aktuelles/meldungen/2023/6713381544.php>

Jürgen Locher also favors a municipal bus company over a private one, and his political group voted in favor of municipalization. However, he voiced considerable criticism. He called it not best practice but quite common to municipalize only 51% and to leave the remaining 49% to private sub-contractors. The much-increased quantity of bus services in the area he ascribes as well to the passed law on state level (Nahverkehrsgesetz Rheinland Pfalz 2020), which when implemented lead to an expansion of public transport services. Main criticism is aimed at the legal form of the public bus company – limited liability company – which comes with issues regarding transparency.

In terms of funding, which is supposedly provided by the federal state of Rheinland Pfalz he is super skeptical because the state government has so far made only very lofty commitments. This undermines planning reliability for the counties and Bad Kreuznach. Insofar he calls into question the sustainability of the municipalization. In terms of work conditions for the bus drivers Locher conceded that the drivers for the private bus companies subcontracted (49%) are theoretically also protected by collective agreements for the private sector. However, he called into question their reliability because adherence to these is not authoritatively and regularly checked.

Marco Bärschneider mainly refers to the improvement for bus drivers in his assessment of the municipalization; first and foremost, better pay due to the collective agreement for public service which entails better pay for older employees.

Apart from that he pointed to the dramatic challenges that the municipalization entailed for the political responsible particularly in terms of infrastructure (maintenance, break rooms for the bus drivers, supply of fuel etc).

(5) What was the political control of the deciding government bodies at the time? Was the decision to re-municipalize controversial?

Yes, pretty much though. Disagreement and opposition came mainly from the conservatives within the political spectrum, according to Dickes, though she herself is a member of the Christian Democrats.

Committee meeting protocols show mainly opposition from AfD (Alternative for Germany) and FDP (Liberals).³ County Commissioner Dickes described this opposition as purely ideological and not fact-based. In the end, it was a tight vote in favor of municipalization according to Locher (Die Linke).

Amongst actors of the private sector and here mainly small and medium sized regional bus companies a feeling of fear for one's economic livelihood was initially prevalent. This changed, according to Dickes, when those players began perceiving this a chance and formed company groups. Those small companies now cooperating as a group are to Dickes now the most reliable subcontractors among the players providing 49% of the services.

On the part of the public the feedback is quite mixed. Dickes described a common attitude as follows before the massive increase in bus services people would complain about the lack of busses, now they are complaining about too many, clogging single-lane rural roads.

(6) Are there any individual "champions" of the re-municipalization that we might follow-up with for further information or perspective (e.g., quotes promoting the decision and outcome)?

³ <https://www.bad-kreuznach.sitzung-online.de/bi/to020.asp?TOLFDNR=4309>

Anne Zetsche on behalf of
New Soil Analytics
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County commissioner Bettina Dickes could be contacted again. She offered that for that matter.

The trade union secretary responsible for this district could probably be contacted as well.

(7) Are there any other re-municipalizations in (or outside of) Germany that your sources know about? Are there more possibly occurring in Germany?

I have come across another case in the federal state of Saxony.

<https://www.vogtlandkreis.de/index.php?ModID=7&FID=3434.3560.1&object=tx%7C3434.3560.1>

<https://vogtlandauskunft.de/unternehmen/neuigkeiten/detailseite-news/news-verbandsversammlung-bereitet-kommunalisierung-vor>