

# “The fare alone won’t drive any bus”



Oliver Wolff, CEO of the Verband Deutscher Verkehrsunternehmen, on the prospect of offering bus and train drivers a uniform public transport experience, the digitalization necessary for this, and the federal government’s specifications for getting people to switch from private to public transport.

Interview conducted by Bernd Henseling, Telekom Account Manager Public Sector, and Philipp Greiff, Head of Expert Sales Public Transport at T-Systems.

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**Mr. Wolff, COVID-19 really put the brakes on German transport companies, and saw passenger numbers drop by 34% in two years. How far did this set public transport back in terms of the 2030 mobility transition?**

The COVID-19 pandemic definitely had a significant impact on public transport. Just prior to it, people had been preparing scenarios for how public transport needed to develop in order to achieve the federal government’s climate-action targets. This process was brought to a standstill, and, as passenger numbers are still down on pre-pandemic levels, the developments have been set back three to four years. But the pandemic also saw the industry demonstrate its strong capability, almost fully maintaining its service, at the request of policymakers, despite much lower passenger numbers.

**The 9-euro ticket that was introduced nationwide over the summer received an overwhelming response from the market—like a “public-transport Woodstock”—as you yourself described it, after three months. You have set the potential basic parameters for a follow-up offer—which is something that, if nothing else, the travelers themselves are hoping for—and the price for this. When and what “add-on sale” do you believe is required as part of the implementation policy?**

The federal and state transport ministers defined most of the basic parameters back on October 13<sup>th</sup>; there is to be a nationwide subscription ticket for 49 Euros a month, ideally paperless. The federal and state governments are initially each putting up 1.5 billion Euros a year for this, with more dynamic equalization starting in the second year to absorb the increases in costs and prices. We believe these are

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# BUS

appropriate proposals for establishing a solid starting basis for this kind of ticket.

To ensure this type of ticket can now be promptly implemented, however, the industry needs further financing from the federal and state governments, because both the COVID-19 pandemic and, in particular, the dramatically increased energy costs, have put transport companies under massive pressure economically. Coupled with this are the long overdue increases in regionalization funding where, despite making promises, the federal government continues to drag its feet. All of this may result in us having to limit public transport services, while simultaneously being supposed to introduce a cheap, nationwide ticket to gain passengers. That's quite a contradiction.

**At the end of the day, it will also be about determining which transport association**

**or which individual company the ticket will be used at, and to what extent. How would that ideally be achieved?**

Ideally just as easily as for ski lifts, even though the ecosystem of just the necessary features we need to offer companies nationwide, as well as our highly diverse fare structures, is disproportionately more complex than what you get on the slopes. Specifically speaking, we initially need comprehensive, sensible passenger information in order to sell a nationwide ticket. It needs to be digital, 99% accurate, and also allow additional use cases, such as a lost & found function for luggage. This pushes prices back up, because quality and improving the service for customers always costs money.

In principle, however, we need to be moving in the direction of switching to digital wherever possible and developing and offering a correspondingly suitable solution nationwide. There's no changing that.



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Oliver Wolff, a lawyer, has been Chief Executive Officer of the Association of German Transport Companies since 2010.

# Rail

**The German federal government has declared its aim is to increase public transport services by up to 30% by 2030. Coupled with this is, on the one hand, passengers' desire for a more attractive offering, better frequency, and a significant increase in terms of punctuality. How can public transport meet, initially, the rising passenger numbers, but, in the medium term, also the extensive demands of the mobility transition?**

You mention the exact point the federal government continues to neglect. The federal transport minister can't only be focusing on a fare model; he also needs to take citizens' demands for a more expansive public transport service seriously. Not only to achieve climate targets, but also to get people to switch from private to public transport. So fares are one thing, that's clear. But buses and trains do also need to operate—as frequently and punctually as possible. This requires a massive investment package that has been talked about forever, but which is yet to progress under this federal government.

**What budgets—and for what, specifically—will be necessary here?**

The federal government's coalition agreement states that 1.5 billion Euros in regionalization funding also needs to be paid to the states for public transport operation. This is where the gloves finally need to come off, along with the considerable investments required for the rail network. Specifically speaking, it's about buying buses with climate-neutral power units, and replacing the entire depot infrastructure, as this will need to meet different demands in future compared that of the current diesel-powered fleet. Many old metro systems also need to be cleaned up, and there additionally needs to be a focus on expanding even tram systems here in metropolitan areas.

And we mustn't forget that needs are different in rural areas. The existing bus services, which are primarily geared around school-bus services, need to at least be supplemented with a new digital system to ensure people in these areas have access to transport services meeting their requirements. The on-demand services



# Mobility inside



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Philipp Greiff - Head of Expert Sales Public Transport at T-Systems.

therefore need to be expanded and integrated into the public transport system.

**In terms of the target time frame for the mobility transition, we're talking over eight years. This is hardly enough time to expand the current infrastructure to the necessary extent. What kind of leverage could ensure this target is still achieved?**

It's true that it takes many years to establish infrastructure, meaning there won't be anything more than the current infrastructure available over the next few years. In light of this, the fastest option for expanding public transport by 2030 is to expand bus services. This actually makes sense, as it can be done through flexible routing geared around citizen requirements, ensuring both fast availability and a high degree of flexibility can be factored in when developing the service.

**Architecture and interfaces play a key role in accelerating digitalization and**

**automation. What do these ideally look like if digital services are to optimize the network?**

As I mentioned, on-demand services are one of the things that need to be expanded, particularly in rural areas, and this really is a digital system in terms of determining routes. This means that the entire digital infrastructure necessary for developing such systems actually needs to be available Germany-wide. It includes real-time data, buses sending their exact location, availability of all fares, and developing systems with client capability/interoperable penetrability.

This means putting an end to a past where industrial providers offered their own system, which then was unable to engage in digital dialog with competitors' systems, i.e. did not enable data exchange. You can regulate things either through common standards, which then actually need to be followed, or by creating a platform that is available transparently and non-discriminatorily to everyone, but which is also mandatory to use.

**At the end of the day, would an open data broker, as a central, intercompany mobility platform, be linchpin as we head towards the mobility transition?**

An open data broker would be the linchpin for all mobility services if it were run by a neutral party and if connection and usage were also mandatory. These days, unfortunately, we're still suffering from there being too many providers and transport companies for the customer numbers, and from there not being any mandatory strategy for offering end customers a uniform public transport service, including at a digital level.

**Is "Mobility Inside", the transport industry's joint platform initiative, paving the way and able to be further developed in this respect?**

Mobility Inside is an attempt made by a joint industry initiative to make individual companies' fares mutually available. For example, Munich's transport company or the Rhine-Main transport association can sell tickets in Dortmund or Mannheim. In this respect, Mobility Inside is certainly the first step toward consolidating the entire industry. Further investments need to be made here, and more companies need to participate, so that public transport can offer a one-face-to-the-customer service digitally, including for strategic reasons. ■



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Oliver Wolff, Bernd Henseling and Philipp Greiff (from left to right).