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**Title of the text:**

With the privatization of the former state-owned railway companies comes the responsibility to meet the needs of the passenger at small railway stations.

**Title of the workshop:**

1 g: Services and products for the traveller

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**Objective of the report**

Topic of this report is the provision of new services for passengers of public transport at small and medium-sized railway stations.

The reorganization of the former state-owned railway companies in line with the EU directive 91/440/EEC has brought some fundamental changes to the way such projects are handled. In the past the state-owned railway companies provided a comprehensive service at each station, where customers could approach their staff for all matters of concern. But the division of the railway companies into "infrastructure manager" and "railway undertaking" today makes it more difficult for the passenger to perceive a unified rail service.

In fact the new infrastructure managers are more likely to focus on the rate of return of their business than on the needs of the passengers or even give up services at stations where costs could quite reasonably be covered in combination with various other services.

The main reason for addressing this topic is the various projects of Agentur BahnStadt, which include the improvement of services, the setting-up of mobility centers and the transformation of existing buildings at small and medium sized railway stations for new applications. Many stations in Germany today see less than 500 passengers per workday and therefore offer only vending machines or even no service at all. As these stations are now often unmanned and in areas with little social activity, vandalism and soiling of the buildings and surrounding area have become commonplace.



*The unmanned station of Goerden (federal state of Brandenburg). Note the graffiti on the station buildings.*

While stations reduced to simply providing the bare minimum of transport facilities can still be operated efficiently according to the formal standards of the supervisory body and the railway companies' contract governing the use of stations, they have a negative effect on the way public transport is perceived by the customers.

A more customer-friendly way of operating railway stations in rural areas that helps to attract new passengers is given below.

### **Framework conditions of the projects**

*? Increased competition over railway passenger traffic is set to become the norm in all European countries. To minimize the potential for discrimination of new competitors we should expect the station infrastructure and operation of transport services to be separated in all countries.*

The impetus behind the German railway reform initiated in 1994 was the above mentioned EC directive 91/440. This stipulated first of all that the formerly independent authorities of "Deutsche Bundesbahn" and "Deutsche Reichsbahn" be brought together to form the private company "Deutsche Bahn AG". This single company was then to be divided into single joint-stock companies under a common holding company. This has meant that the responsibilities for railway transport and the operation of the infrastructure have been formally divided, whereby a further subdivision of the infrastructure has been made by setting up "DB Netz AG" to handle the network and "DB Station & Service AG" to run the stations.

The advantage of this shared responsibility is that the construction, maintenance and operative costs that operating an infrastructure generates can be assigned to the responsible operators, who tend to work more efficiently in their own field. Healthy non-discriminative competition among different railway companies is now possible.

In France the given directives of the EU have been formally met by separating the operation of the network from the provider of rail transport services, yet there is still no actual competition between different railway transport companies.

For the SNCF, which is still in charge of station infrastructure and enjoys a position of monopoly in France, the operation of station buildings is not only a question of making profit. As a state-owned transport company it is also interested in offering comfortable waiting rooms for its customers and staff rooms for railway employees on duty.

This unity of station management and transport company generates a situation where all members of staff at the stations take pride in working for the railway and are therefore keen to offer their customers a friendly and comprehensive service.

However, it is only realistic to expect the future establishment of competition in the French railway system - with staff from different companies having to cooperate in each station - to bring about at least some change to this attitude.

? *Many rural locations have seen long-term neglect and have a huge backlog of necessary station infrastructure maintenance which requires large investments both today and in the future. Where the infrastructure managers cannot raise the money for this, they simply strive to shut down the ailing infrastructure.*

With the restructuring of the former state-owned railway companies, most new infrastructure managers have received the order to ensure that all the costs of the infrastructure are covered.

As the road network is financed by the community or the state, but the railway network and the infrastructure of the stations is financed by the customer, the two modes of transport are in imbalance in terms of marketability. In many countries this imbalance has been intensified by long-term under-funding, leading to obsolete or even unusable sites.



*The platform still in use at the Caputh-Geltow station (federal state of Brandenburg)*

The infrastructure managements' need to cover all costs then ultimately leaves them with a simple choice. They can either enhance the infrastructure through extensive investments to cover subsequent operational costs in spite of the poor market position, or simply shut the network down due to the gloomy prospects of getting back their investment. This affects both the general infrastructure and station buildings on poorly frequented lines.

The consequences of such a closure for the total system of public transport are alarming. When conditions deteriorate, passengers in rural areas quickly lose interest in public transport and the numbers of users often drop – a situation which only reinforces the operator's desire to reduce or even cease its service. This leads to the divide in living conditions between rural and urban areas becoming growing even further.

? *On closer examination, however, income can often be raised from state financial support programs and regional administrative bodies. With a bit of ingenuity, these funds can be used for the renovation of the infrastructure at railway stations and the operation of new services.*

When the government seeks to improve the living conditions of the population, this often comes in the form of promoting investment and the operation of facilities for the public at large. There are numerous opportunities in using these aid programs for the development and operation of services in station buildings, for instance in the spheres of

- ? transport infrastructure
- ? urban planning
- ? social and economic policy and
- ? regional policy

Whether as a by-product or the principal aim of such aid programs – a careful examination of how to use these funds to improve the service at stations seems sensible. With the right preparations there is no reason why a group of young people or an employed or physically handicapped person should not be a stationmaster or the manager of a mobility center.

### **Description of the problem in Germany**

Having been released from the system of public budgets, “DB Station & Service AG”, the company that looks after the infrastructure of stations in Germany since the reform in the rail system, now has the opportunity and also the task of operating in the market economy. Against the background of overdue maintenance on their station infrastructure and little chance of making small and medium-sized stations profitable, “DB Station & Service AG” is now pursuing a threefold strategy:

- ? As a rule, all measures set up in and around the station building are geared towards an internal return on the given capital. This demands a certain size of station in a central location with a sufficient number of passengers – parameters simply not available to many small and medium-sized stations.
- ? A series of systematic strategies have been developed in order to limit the amount of money, time and energy spent on developing new concepts. These strategies are designed to offer support and improve the services at a large number of stations (examples being DB ServiceStore, DB ServicePoint and DB ReiseFrische). The losers of these strategies, however, are often smaller stations which do not fit into this standard model and desperately need to exploit local potential to become viable.
- ? At small and medium-sized stations, DB Station & Service AG is giving up fields of business in deficit. So you might see a waiting room erected outside of the disused station building replacing the traditional foyer inside the building and vending machines in place of businesses.

The central problem, as Agentur BahnStadt sees it, is that the low return on capital of stations in small and medium sized towns is causing a lack of desire to market and utilize the opportunities. When there is no-one to recognize and exploit the potential of a site, no partners are found and the realization of ideas is not developed and discussed, the interests of the customers are easily forgotten.

The following is a typical example of the lack of coordination at a station:

At a medium-sized station (hourly regional fast train service to two economic centers at a distance of about one hour with 1,000 daily travelers and ticket sales of around € 700,000 annually) the service staff on the platform are provided by the station infrastructure company, the signal box operators are provided by the network infrastructure company and the ticket office is run by the railway operating company for long-distance travel.

In the course of improving their cost-effectiveness, all three companies realize that their staff are not fully occupied and are therefore not operating economically. Each company then implements its own solutions to this problem.

An agency (often a travel agency located somewhere in the city center) takes over the ticket office, the signal box is converted at great cost to become automated and the service staff are replaced by an emergency and information telephone.

The result is the effect mentioned at the start of this report – the station is automated without staff, there are no other businesses in the building and vandalism and soiling ultimately start to dominate. At some point the decision is then taken to close the station building and the customer has to wait in an newly constructed yet unheated shelter on the platform.

### **Course of action**

So how can we create a new interface between the different railway companies, the local economy and the customer, taking in consideration the outlined framework in small and medium-sized stations? The most important thing is that the interface should be available on site to respond to the needs of the local customer. The desired effect is to generate a presence which effectively supports the image of the railway as a means of transport. Even stations formerly marked as unprofitable can become modern centers of communication and mobility, attracting new customers to public transport.

### **Basic idea of the projects**

#### *Outline*

The station master used to supervise or himself provide all services at stations. At smaller stations passengers could ask him questions, while at larger stations he was responsible for organization and ensuring all work was carried out correctly for the larger volume of traffic.

The basic idea of the projects to be presented is the opening of a so-called mobility agency, where a new private station master offers his services to the passengers of public transport, the town's inhabitants, visitors and also to the railway operators and the infrastructure managers.

These services include:

- ? offering information on all means of transport in the town/region and the sale of appropriate tickets
- ? offering visitors tourist information and arranging accommodation
- ? providing services for passengers, such as toilets, telephones, Internet access, fax, bicycle hire

- ? janitor tasks, such as cleaning the station building and the grounds, clearing snow and ice in the winter and helping physically handicapped passengers
- ? work at the interface where customers and railway operators meet, i.e. providing information about delays and recording complaints, ideas and suggestions for improvements
- ? running a postal and dispatch business and a concierge service
- ? running a café and a local store

*Economic viability of a private station master*

These services are financed through commission paid by the different contractual partners, payments for services provided, profit margins for goods sold and, where present, other local services.

The basic idea of a private station master is not a new one. Such systems are commonplace in other service sectors. And the use of an agency service at train stations is also nothing new – many railway operators use agencies to perform services previously provided by their own personnel (sale of tickets, convenience stores). The potential of these projects lies more in the consistent bundling of all services at small stations so that these can be carried by a single person, the private station master. The decisive factor is that all partners and parties involved should strive for a friendly, efficient and economic solution to all tasks at small stations for the benefit of the customer.

Having a private station master running the entire station brings two positive effects. Firstly, this system allows services to be provided that would otherwise simply not be viable. And secondly, a private operator is in a better position to provide a high quality service than a railway infrastructure management company, as he is directly responsible for his own economic success and therefore has a vested interest in giving satisfaction to his customers and employers.

Table 1 depicts the average takings of a busy mobility agency. The figures are based on the ten projects that the BahnStadt agency is currently handling in the German states of Brandenburg and North-Rhine-Westphalia.

commission from tickets for long-distance transport	56 %
commission from tickets for regional transport	12 %
takings from the shop	12 %
takings from the café	10 %
subsidies by the transport authority or the community	4 %
takings from services carried out by the janitor	4 %
booking of trips	2 %
<b>sum total</b>	<b>100 %</b>

**Table 1: Financing the operating expenses of a mobility agency**

The principal aim of these projects was for a private agent to start selling tickets again at a station where this had been given up by the railway operator. The takings from ticket sales thereby dominate the overall takings.

As a high proportion of the takings was expected to come from selling tickets, efforts were made to increase this source of income as much as possible in order to ensure a sound economic basis. A great deal of separate talks were held with the train and bus service operators and the companies to license the agency, although a small

subsidy was still required for most of the projects. This was granted by the relevant regional administrative body and local bodies.

The takings do not reflect those free-of-charge services which, while not generating turnover are important for keeping passengers happy. These include giving information about the timetable or the surrounding area and providing a toilet.

In Table 2 you can see the overhead expenses of a mobility agency in detail.

personnel	75 %
technical equipment	11 %
rent	5 %
financing the deposit	3 %
advertising	3 %
office equipment and communication	2 %
financing investments	1 %
<b>sum total</b>	<b>100 %</b>

**Table 2: Proportional costs relative to the total expenses of a mobility agency)**

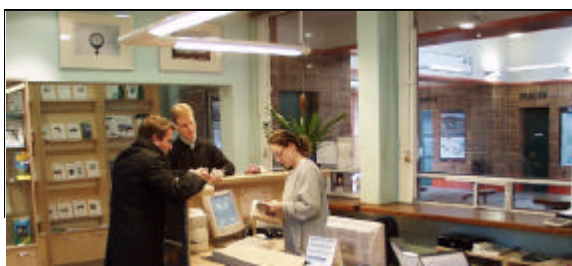
This table indicates a decisive factor to minimize the overhead expenses of a mobility agency. It is not so much the reduction of costs for rent and materials that determines the success of the project, but rather the minimization of personnel costs. An efficient use of the staff or the use of job creation programs can lower personnel costs. Even poorly frequented stations can then offer services to their customers. Some suppliers of services at stations, for example, concentrate even on job creation programs of the employment exchange – something which enables them to reduce their personnel costs significantly.



In Wörth, the sale of tickets is financed by programs of the employment exchange

## Examples of projects

### *Potsdam-Griebnitzsee*





The new mobility center in the station building of Potsdam-Griebnitzsee.

Agentur BahnStadt renovated the station hall, the former ticket office and an additional office room of the rapid transit station (S-Bahnhof) situated in a suburb of Brandenburg's capital Potsdam. These remodeled premises now house a mobility center.

This agency offers an extensive service to local people, employees and visitors of the adjacent boroughs. Alongside advice and information about all means of transport in town, the area and all over Germany, the service includes the sale of the right tickets for tourists, a bicycle hire station, guided bicycle tours and the sale of newspapers. A financial setback caused by the transfer of the bus stops to the rear of the station building (the passengers changing here no longer pass by the mobility center) could be compensated by the extension of the services.

The agency received great support from the owner of the premises (DB Station & Service AG), who agreed to offset the costs for the redevelopment of the station building against the rent on the building – thereby enabling overhead expenses to be reduced in the long term. Unfortunately, attempts to take on services in the building itself, such as cleaning or keeping the station area clear in winter weather, were rejected by the station infrastructure management company.

The realization of similar projects in co-operation with local bus operators has started for eight additional locations in the federal state of Brandenburg.

### *Espelkamp*



The Espelkamp station building before its renovation.

On behalf of the town of Espelkamp and within the framework of the "aufdemland.mobil" research project financed by the German Federal Ministry of



Research, the BahnStadt agency drew up a design for the renovation of the Espelkamp railway station building and to find new users (around 300 passengers daily and some 25,000 inhabitants in the town itself). This project has just started and will consist of the following elements:

- ? Purchase, renovation and conversion of the station building by the town.
- ? Takeover of the ticket office by a private agent working together with a new local store and café in the station to form a “mobility agency”.
- ? The relocation of local youth center and a gym into the adjacent building – this will bring life into the area and get young people using public transport in Espelkamp.
- ? Use of the former restaurant and an optional annex by a bicycle shop to run a bicycle hire station.

Subject to the pending agreement of the municipal body to offer financial assistance, this project has a good chance of success. This success is also thanks largely to the fact that young and motivated entrepreneurs have been found to make the station a center of mobility and communication.

#### *Halle (Westphalia)*



Private service at its best: The new ticket agency in the station of Halle (Westfalen).

In the framework of the EXPO project “RegionalStationZukunft” (future of regional stations) the station in the small Westphalian town of Halle has been remodelled, with a local company moving into the former staff room and ticket counter. This business is financed with the help of job creation programs. An agency has taken on the sale of tickets and committed itself to generating a sound customer base in order to make the ticket business profitable.

#### **Summary: Framework for the creation of a mobility agency**

The projects described and also other projects of the BahnStadt agency have shown what conditions are necessary for a successful conversion of a disused station into a mobility agency:

- ? Potential financing of the overhead expenses of a mobility agency through different sources. The aim here is to establish a sound economic basis by operating in different sectors, offering advice and information on transport

services, services for the infrastructure management company and railway operators and the supply of goods and services for passengers

- ? Sufficient interest of all co-operating partners to make the project a success, with allocation of the necessary agency licenses and share of subsidies
- ? The political intention to support the projects by the community, regional bodies and public transport managers with non-material support of the project, provision of aid, establishment of necessary contacts to the local industry and commerce and to the local trade.
- ? Commitment of one of the partners to the conception and implementation of all plans, including kick-starting the project and financing the planning process.

It is particularly difficult to attract agencies in places with poor prospects of achieving a high return on capital. The implementation of the concept requires sound knowledge of the local trade and general conditions here. Detailed work, such as holding talks with individual involved or interested parties, is needed as a strategy against the systematic thinking of the station infrastructure manager.

It is, however, important to note that the interaction of local politics, the railway operators and the railway infrastructure management needs great improvement. The high rate of personnel turnover within Deutsche Bahn AG still occurring nine years after the first step of its creation makes it difficult to form local partnerships.

The lack of a unified mobility and timetable information services for all national railway services is also holding back potential growth. The quality of service for the passenger should have higher priority in the political arena.

But the often arduous commitment is almost always well rewarded when an old and seemingly unviable station once again becomes a center of communication and mobility.