



# STRÆTÓ

## WHERE DO YOU WANT TO GO?

TURN-KEY INTEGRATED SOLUTION IN ICELAND

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# Public Transport in Iceland today!

- Mostly limited to the greater Reykjavík area and Southwest Iceland
  - Mostly operated by Strætó Public Transport
    - Bus services only
      - EUR 22,3 million, 120 buses (total), 9 million passengers, 8 million km
      - Additionally – handicap services (minibuses) and elderly services (taxis)
- Other services provided by aid from the Ministry of Internal Affairs via the Icelandic Road Administration.
  - Very much limited to a few flight routes, ferry- and bus route licensing





# OUT WITH THE OLD IN WITH THE NEW

FUNDAMENTAL CHANGES IN STATE POLICY AND FUNDING OF PT

# The New State Policy and Funding

1. The Ministry of Internal affairs is abandoning the current system of state- funded „exclusive route licensing“ system

- The reason is that the current system is „designed“ to support tourism instead of *real* public transport.
  - Has generated „very few“ passengers
- The licenses will be transferred to the 7 Regions outside the capital area along with the existing funds.
- Already, all planning and organizing with Region South is well under way.
  - The tender was advertized last weekend and is planned to be opened in ultimo October
- Work with all other Regions, except one, has been initiated.
- The whole system is expected to consist of 30 InterCity Buses PLUS On-Demand Services



## The New State Policy and Funding

2. The Ministry has in addition announced it's intention to support Public Transport in the greater-Reykjavík area and it's „affected“ urban areas (the so-called Reykjavik „collar“) by more than One Billion IKR annually, to fund the Base routes in the area
  - Is due to be accepted by the Icelandic Parliament this fall
  - Is subdue to an agreement with the municipalities that:
    - they will hold or increase their funding of Public Transport, and
    - that new projects on the public road system will be delayed or even cancelled
3. The Ministry has furthermore decided to fund and/or start building priority lanes (i.e. for bus, RBT and future modes) as well as means for other modes of transportation alongside state roads (i.e. walk paths and bicycle paths).
  - The municipalities are expected to interact with these plans and do their own
4. Not, but not least, the State has indicated to severely lift or remove taxation on Public Transport

***This demonstrates a fundamental change in the State Policy towards enhanced Public Transport in Iceland. Today, no government or Regional support is given to Public Transport in the Capital area.***

## The New State Policy and Funding

- The Ministry, instead, requires that:
  - 1. The PT systems in each Region will be integrated to support continuous transfer of passengers between Regions and Modes of Transport (ferries, flights, etc.)**
  - 2. That the Regions will share Information Services, a joint Service Center and a joint Ticketing & Fare Systems**
- The Regions are seeking expertise and execution support from Strætó as the only entity possessing the necessary knowledge, procedures and technological ability to support this.

# Implications of the New Policy for Strætó

1. In the short run Strætó will most likely become a contractual intermediary between the Regions and the PT Operators.
  - Strætó does not intend to operate any services in the Regions – everything will be tendered out
2. If State actions #1 and #2 will realize, and given that Strætó will play the central role, it must seek to provide the necessary means to fulfill the Ministry's requirements, i.e. Information Systems to enable country-wide planning services, multi-regional electronic ticketing with revenue sharing abilities, multimodal journey planning and real time information.
  - Basically a **Turn-key Integrated Solution for Public Transport in Iceland**
3. In the long run, this will undoubtedly lead to that Strætó becomes a „Trafikselskab“ and will solely act as a Public Transport Authority country-wide.

# The Turn-Key Integrated Solution

- Strætó and Trapeze have formulated a Memorandum of Understanding to turn Iceland into a Trapeze Showcase for their entire suit of solutions.
  - In general Strætó will get the Trapeze Suite “free of charge” exempt purchase of hardware, installation and services.
  - In return, Trapeze will have an entire country and nation as a showcase for the international clients
- Why Trapeze?
  - Ever since 2004 Trapeze has been our closest IT solutions provider
    - Our Head of Planning is one of Trapeze’s most advanced systems user and Alpha/Beta tester
    - We have profound in-house knowledge and experience with many of their systems
  - The Trapeze products and services have found to be of high quality, reliability and value
- First phase is already under way with Trapeze NovusFX and Trapeze Journey Planner with mobile solutions and real-time information (early 2012).
  - Later the Trapeze TravelPass, On-Demand systems and ITS systems
- Reasoning for a Partnership
  - We do not intend to develop our own proprietary systems or acquire one domestically from a small Icelandic “one-man show” IT companies.
  - Iceland is a small country with only 340 thousand inhabitants
    - Two-third of the population lives in the SW Regions
    - Thereof, 200 thousand in the greater-Reykjavík area

**Thank you!**