

Going Fast or Slow?

Making Use of the Window of Opportunity to Continue Swedish Railway Deregulation in View of EU's Railway Packages

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ABSTRACT

Since the late 1980's Sweden has followed a path of step-wise reforms in the railway sector. Railway infrastructure has been separated from operations, markets have become established for several important resources and supporting functions, and a number of firms now compete for freight or passenger services. Only one important part of the former national monopoly remains: the right to run inter-regional passenger lines on a commercial basis (without subsidies). Partly inspired by this development, regulations and directives of the European Union have sought to increase railway competition in all member states and create a common market for railway services. In recent years, these objectives have materialised in the form of three consecutive "railway packages", presented by the European Commission. There is now a decision on a deregulation of freight services from 2006, to be followed by a suggested opening up of international passenger services in 2010. In this paper, we discuss the options for a continuation of Sweden's railway deregulation in view of the forthcoming development on the European level. We argue that everything is now in place for a continued deregulation. When evaluating the alternatives of proceeding fast or slow, we find that the sector as a whole has more to gain from a fast process. Even the former monopolist will be able to gain, although perhaps not as much as if it's remaining monopoly rights are kept intact for another couple of years. We conclude that Sweden now has a unique window of opportunity to facilitate the transformation of Swedish railway sector firms into international players, reaping the benefits of being a pioneer in the restructuring of the railway sector.

1. Introduction and overview

In 1988, the Swedish railway sector was more or less synonymous with Swedish State Railways (SJ), a state-owned business administration with a monopoly position on both freight and passenger rail services, protected from competition by means of laws and regulations (Table 1). Apart from being responsible for and controlling all aspects of the railway services, SJ was also involved as owner or co-owner in supporting businesses such as ferry traffic, long-distance bus services and forwarding agents. For the freight services, SJ was a contracted operator. For the passenger services, an overwhelming majority of the lines were run by SJ under its own account, i.e. without the use of contracts with the state or any other authorities. For those passenger services that were unprofitable, but considered important for socio-economic and political reasons, the Parliament every year granted SJ the amount of money it demanded to cover the deficits. On a limited number of passenger lines, SJ worked as the contracted operator to regional (county level) public transport authorities.

In the year 2005 the rail infrastructure is owned and maintained by a national authority, Banverket, also handling the train traffic control function. Public procurement by competitive tendering dominates the passenger rail market, being applied on almost all the unprofitable lines, which make up the majority of the all railway lines. SJ has been disintegrated into several specialised companies, some of which have been privatised, while others are still state-owned. One of these, SJ AB (SJ Ltd), originating from the former passenger division, continues to be Sweden's biggest train operator. SJ AB still runs services under its own account, but is also to a large extent operating under contract to regional and national transport authorities. The market for freight services is deregulated, implying open access to virtually all parts of the railway network. Green Cargo AB, the successor to SJ's freight division, still dominates this part of the market. The only part of the railway transportation market where SJ AB still holds a legal monopoly concerns the inter-regional passenger services that the company considers possible to run with a profit (i.e. in principle the important lines between Stockholm and some other major cities). The company still controls most of the rolling stock, but regional transport authorities and private freight operators own a considerable amount of vehicles.

Table 1. Regulatory structure of the Swedish railway sector in 1988 and 2005

Part of market	1988	2005
<i>Passenger services</i>		
Regional (non-profitable)	SJ holds monopoly and receives subsidies	Procurement by competitive tendering (competition <i>for</i> the tracks)
Inter-regional (non-profitable)	SJ holds monopoly and receives subsidies	Procurement by competitive tendering (competition <i>for</i> the tracks)
Inter-regional (profitable)	SJ holds monopoly	SJ holds monopoly
<i>Freight services</i>	SJ holds monopoly	Open access on all lines (competition <i>on</i> the tracks)

In this paper, we will discuss the options for a continuation of Sweden’s railway deregulation in view of the current and forthcoming developments on the European level. First of all, we need to get a better understanding of the shift in the Swedish railway sector’s organisational structure. Therefore, the next section will take a closer look at the actual process of regulatory change. This is followed by a section on the development of railway reforms on the European level. We will then present the current system in more detail, followed by a section on our interpretation of the process and of the current state. In a concluding section we consider the various future policy options for the Swedish railway sector.

2. The process of reforms in the Swedish railway sector ¹

Regulatory changes in the railway sector have often emanated from a wish to come to terms with the recurrent financial difficulties of SJ. There is an important pre-history of reforms beginning already in the 1960’s, but the Transport Policy Act of 1988, with its groundbreaking split of railway infrastructure from operations, is commonly considered the starting point for the transformation of the Swedish railway system – from a vertically and horizontally integrated monopoly to a market characterised by decentralisation and intra-modal competition.

The Transport Policy Act of 1988 had the objective to make the conditions for the railways more similar to those for the roads. The state took the full responsibility for railway infrastructure investments and maintenance by means of a new authority – Banverket, while SJ would transform into a train operating company, paying charges for using the tracks (based upon marginal costs for maintenance). Infrastructure investments were to be evaluated by means of socio-economic calculations. Among its several other components, the Act also marked a general policy step in the direction of extending the responsibility of the County Public Transport Authorities (CPTAs) – established in 1979 to coordinate regional public bus services – into the unprofitable regional railway services, inspired by some early cases where this had been tried. In return, the CPTAs were compensated by state subsidies equalling SJ's operating deficits on these lines, and the rolling stock was also transferred to the CPTAs.

A deregulation of the railways in terms of increased intra-modal competition was not explicitly mentioned in the Act. Nevertheless, the vertical separation of infrastructure from operations, combined with the decentralised responsibility for regional railway services to regional authorities (along with the necessary money and rolling stock), made public procurement by competitive tendering of these lines possible. Some CPTAs had already tried tendering procedures for their bus services, as a result of previous reforms in that sector. This made it natural to use competitive tendering also of regional railway lines. The outcome was the first new entrant for more than 40 years, BK Tåg, in 1990.

In the beginning of 1991, the Ministry of Transport expressed the view that more operators would stimulate the railway industry to make use of its resources in a more efficient way. At the time, there was a perceived fear among many politicians that SJ's power on the transportation market could become too strong, especially since SJ's management had been unwilling to concentrate on the railway services, keeping SJ a much diversified transportation conglomerate. After a shift in power in Parliament in September the same year, a new centre-right-wing government declared its objective to open the railways to more competition. The first step was to subject more railway traffic to tendering. When SJ got rid of the responsibility for track infrastructure, it had been directed only to perform *profitable* train services under its own account. While large parts of the *unprofitable* services were run on the regional lines and therefore under the responsibility of the CPTAs, many services of the inter-regional main line network were also unprofitable. Since 1988, the state had been procuring these services by means of annual negotiations with SJ, instead of simply transferring

¹ This section draws from Alexandersson et al (2000), Alexandersson (2002), Nilsson (1995) and Van de Velde (1999). A

subsidies to SJ every year to cover the deficits. In 1992, following the experiences of tendering of regional services, a regulatory change made it possible also for the state's negotiator to use competitive tendering when procuring services on the inter-regional lines.

In 1993-94 several reports looking into the feasibility of deregulating the whole network followed, coupled with a fierce political debate. In May 1994, a bill on a far-reaching deregulation was passed in Parliament, despite heavy opposition from the Social Democrats, the left-wing party and the railway unions. Consequently, when the Social Democrats regained power in Parliament through the election in September the same year, the deregulation of the railways was quickly postponed. Instead, a less radical reform was suggested, coming into effect in July 1996. The functions of allocation of track capacity and train traffic control were transferred from SJ to Banverket, while other common facilities were to be available for other train operators under commercial but non-discriminating terms. The CPTAs' rights were extended, making it easier for them to replace reductions in SJ's supply of inter-regional trains with regional CPTA-managed services. Consequently, the practice of competitive tendering became available for more parts of the railway network. For the freight services, open access on the whole network was introduced, based upon the belief that these services would stand better chances against other modes of transportation if they were forced to adapt to what the market wanted. Actual access to capacity was only limited by a "Grandfather's right" clause, giving an operator the right of precedence to a timetable position it had used before. In practice, this rule was rarely (if ever) enforced, and was eventually abandoned in 2004.

A new Transport Policy Bill was passed in 1998. In an effort to achieve more equal terms for competing modes of transportation, in particular concerning freight, the track access fees were lowered. In order to make entry easier for freight operators competing with SJ, some fringe railway lines that had remained in SJ's hands were transferred to Banverket. Moreover, a new national authority, Rikstrafiken, was established. The authority took over the tasks of the former state's negotiator, becoming responsible for competitive tendering of unprofitable inter-regional services (including all modes of public transportation), aiming also at better coordination with the CPTA-tendered services. Following the inflow of new operators in 2000, a new Bill had the objective to facilitate for SJ to compete under the new circumstances and to ensure equal access to functions and services for all operators. SJ's organisational structure as a business administration was therefore replaced in 2001 by several state-owned companies

summarising table of the reforms from 1979 and onwards is presented in the Appendix.

concentrating on specified parts of the railway businesses. The passenger division formed one company (SJ Ltd), the freight division another (Green Cargo), and so on for real estate (Jernhusen), maintenance (EuroMaint) and other businesses. Two divisions, TraffiCare (cleaning services) and Unigrid (computer information systems), were fully privatised a few months later.

Since the Bill of 2000, the process of regulatory change in the Swedish railway sector has to some extent slowed down. On several occasions, it has been suggested that the remaining monopoly of SJ Ltd concerning the profitable inter-regional lines should be abolished, possibly opening up for open access or at least competitive tendering on these lines.² So far, the Social Democrat government has been unwilling to take this step, motivated by a perceived need for more time to evaluate the effects of the already implemented reforms. In 2003, the state had to interfere by means of transferring a large amount of money (1.8 billion SEK) to SJ Ltd from other state-owned companies in order to avoid bankruptcy.³ It had then become clear that the breaking-up of SJ into several separate companies had been an under-financed reform, but also that several of SJ's contracts for regional and inter-regional passenger services were highly unprofitable due to the fact that SJ had won the tendered contracts with too low bids.

The most recent reforms have focussed on modernising laws and regulations to achieve a coherent framework in line with European Union directives. Following the European Commission's first railway package, a new railway law and railway regulation came into effect in July 2004, and a new Swedish Rail Agency was established.⁴ Currently, a new transport policy bill is being prepared. One important issue is how Sweden should prepare for a future decision on the European Commission's third railway package, and the opening up of international passenger railway services between member states from 2010.

3. The development of European Community railway policy

Objectives and the first railway package

The overall objectives of the European Community railway policy are to:

- Create a common market for railway transportation services

² See for example SOU 2003:104

³ Proposition 2002/03:86

⁴ SFS 2004:519 and SFS 2004:526

- Achieve operational compatibility in order to overcome the different technical standards of the member states.
- Create a common market for railway material and equipment
- Create equal conditions for competition between different modes of transportation
- Support a sustainable development by means of stimulating modes of transportation that have less (negative) environmental impact (such as railway and sea transportation)

In recent years the European Commission has started to make these goals more tangible, expressed by its work on several “railway packages”. *The first railway package* was accepted in 2001 following three years of negotiations. It included the decision to open up international freight services on a specified network of lines or corridors from March 2008. Moreover, common regulations were introduced on areas such as safety certificates and licences to railway companies to provide their services. A licence to operate railway traffic would explicitly be accepted throughout the whole Community. In addition, certain principles for charging fees and allocate track capacity were stipulated, demanding the establishment of special regulatory bodies in the member states. Finally, a special regulation in one of the package directives implied that it would no longer suffice to separate infrastructure from operations only on the accounting level.

By means of the new Railway Law and the establishment of the Rail Agency in 2004, these new regulations were implemented in Sweden, with the exception of some parts where Sweden already had sufficient regulations. Several other European countries have yet to implement the new regulations. For example, this is the case in Germany, Great Britain, Greece and Luxembourg. Belgium and Spain are also lagging behind. In some countries, the formal regulatory framework has been introduced, but in reality the national monopolist is still protected (as in France). The regulatory bodies have generally not been set up in the member states.

Apart from Sweden, several countries have deregulated their freight services. This is true for Germany, The Netherlands, Italy, Denmark, Austria and Great Britain. In all member states there is an ongoing reconstruction of the old monopoly firms, with the intention to make them better prepared for future competition. However, there are yet no actual examples of national railway monopolies starting to compete against each other.

According to the German Rail Liberalisation Index, the Swedish railway market is the second most open market in Europe (with Great Britain taking the lead). The index measures how easy it is for an operator to step in to a market and the actual competition on that market. In terms of market entry, the index considers whether it is possible for new firms to contact an independent authority in order to get information on safety regulations and timetable positions. The index does not consider the possibilities to get access to common functions and rolling stock.

So far, Sweden and Great Britain seem to be rather unique when it comes to policies aiming at making competition possible in the whole production chain, such as vehicle maintenance, cleaning and other supporting functions and services. Sweden has also increasingly started to use competitive tendering of the services and production that Banverket is responsible for in its role as track infrastructure holder. Even if it's probable that the development on the EU level eventually may proceed in this direction, the focus has so far been upon competition among train operators and vertical separation of the old monopoly firms into infrastructure holders and traffic operators.

Building a framework for the future: the second and third railway packages

Although Sweden still counts among the European countries that have gone very far in the process of reforming the railway system, the current process on the EU level aims at reaching decisions on common conditions for the Community railways that will go further than any European country has implemented to date.

The second railway package was agreed upon in the spring of 2004 after two years of discussions. In order to hurry on with liberalisation of the international freight services within EU, this part of the market will now be opened for entry from January 1, 2006 (instead of March 2008 as specified in the first railway package). Other regulations, for example concerning safety issues, were also approached. In addition, a European Railway Agency (ERA) will be established, to be fully functioning no later than May 2006. The agency will primarily have a technical role to play, working for a high level of security within the European railway system and a better operational compatibility in order to improve the competitiveness of the railways. Three years from its start-up, the agency will develop a European system for certifying railway facilities used to maintain rolling stock. Recommendations are also to be developed for establishing unified and common criteria of workforce education and evaluation of the operational and maintenance staff.

In March 2004, the European Commission also presented its proposal on a *third railway package*, still awaiting a decision of approval. It is supposed to be treated by the European Parliament in the summer of 2005. An important part of this package is that the international passenger services within the European Union are to be opened up to competition no later than January 1, 2010. All companies that fulfil safety regulations and several other demands will then have open access to the railway infrastructure. This also includes the possibility of cabotage, i.e. that the market of one country is open for actors based in another member state. One problem with the new rules is how to handle the interface between commercially viable international services and local (and maybe also international) procured services when cabotage is an option. Consequently, a limiting rule is suggested, making it possible for member states to limit cabotage if procured services (as “agreements on common services”) may otherwise become economically hurt.

A special problem relates to the fact that, in parallel to the development of the railway packages, there has been a long on-going process to reform the old Community regulation aiming at providing a framework for when and how passenger services may be subsidised or given exclusive rights. This reform probably has to be synchronised with the new rules that are necessary for the implementation of the third railway package.

4. The organisation of the Swedish railway system in 2005

The actors and their roles

The current framework of the Swedish railway market implies that the national authority *Banverket* owns and maintains the state’s railway infrastructure. Since this amounts to about 80% of all railway lines, Banverket is the primary rail infrastructure holder.⁵ Regional authorities own a couple of lines, mainly in the Stockholm region. In addition to this, several minor fringe lines are owned by factories and municipalities, Banverket gets its financial resources mostly from national grants, decided by Parliament for multiple-year-periods, but also handles the track access charges paid by operators for using the tracks. The Government and Parliament have given Banverket the overall responsibility for the development of the railway sector. This sector responsibility comprises railway transportation as well as tram and underground transportation.

⁵ Banverket (2004)

The *Train Traffic Control unit* within Banverket monitors all train movements on the Swedish railway network. The organisation is also responsible for offering the operators good opportunities to run their trains. All the wishes of the operators are co-ordinated with the objective to find solutions that meet these wishes in the best possible and non-discriminatory way. Due to track capacity constraints on a large part of the network, Banverket actually allocates planned delays compared to the shortest possible time needed for a particular transportation. The end result of this process is the granting of certain timetable positions (“slots”) to each operator, and the production of a corresponding national timetable.

All in all, there are about 500 railway stations where trains stop for passengers. Many of these are very simple stops (controlled by Banverket), with no special buildings or facilities for passengers. Many stations (with or without passenger facilities) are owned and maintained by regional authorities, being used only for local and regional services. About 170 stations are equipped with station buildings on separate estates. 150 of these are owned by *Jernhusen*, the state-owned company formed out of SJ’s old real estate division. In addition to this, there are a large number of terminals and facilities used primarily for freight services, owned by several different actors. Jernhusen is the primary owner of buildings used for maintenance of rolling stock.

One key authority is the newly established *Swedish Rail Agency*. Formed out of the old Railway Inspectorate, the authority has taken over the tasks concerning safety in the railway, underground and tram systems. It has also been assigned new tasks, such as monitoring that the fees charged for the utilisation of the railway infrastructure are determined in a competition-neutral and non-discriminatory manner. The same goes for capacity allocation and provision of services. Any operator wishing to operate train services on the Swedish rail network needs to apply for a license from the Rail Agency.

The *CPTAs* are important players in the market, since they account for much of the procurement of railway services. Generally, they also provide their contracted operators with the necessary rolling stock for these services. Together, some of the CPTAs own a rolling stock company, *Transitio*, thereby managing a large part of the fleet of regional passenger trains. Firms competing for inter-regional services procured by *Rikstrafiken* may hire vehicles from the company *ASJ* (the remains of the business administration SJ), where the leasing contracts of the rolling stock are being handled. SJ Ltd and Green Cargo also hire leased vehicles from ASJ. Consequently, ASJ in several respects functions as a rolling stock company today. Freight operators generally have to get their own rolling stock. Perhaps with

the exception of locomotive power, the market for freight vehicles is comparably well developed. The vehicles are more standardised than the rolling stock for passenger trains and independent private owners have been around for quite some time.

Several other companies provide various supporting functions to the operators and other organisations. Some of these came out of the corporatisation of SJ, others were divested earlier and yet others are new entrants not originating from SJ. One of the most important companies of the first category is *EuroMaint*, the state's company for maintenance of railway vehicles. The company has a share of slightly less than 50 percent in this market. Important competitors are operators that combine their traffic operations with maintenance services, and train manufacturers like *Bombardier* and *Alstom*. Alstom is a new actor in Sweden, being established after having won tenders for delivery of new trains. Another actor in maintenance is state-owned *SweMaint*, primarily working with freight vehicles. Several foreign companies are preparing for offering maintenance services on the Swedish market. Among these one should mention Mantena (subsidiary to NSB), the technical division of DSB (primarily interested in strengthening its position in the Swedish part of the Öresund region, and DB, that have expressed strong intentions to establish itself in Sweden.

TraffiCare (owned by ISS) provides terminal services such as cleaning (previously also switching). The former *Unigrid* (now a part of Cap Gemini Ernst & Young och Norwegian EDB Teamco) is active in IT services. Both Trafficare and Unigrid stem from the corporatisation of SJ.

Currently, about 20 train operating companies use the state's rail infrastructure, most of them being very small. On the passenger side, the state-owned company *SJ Ltd* is still the dominant operator, but private firms like *Connex*, *Citypendeln* and *Tågkompaniet* are important competitors. *BK Tåg* was until very recently another important competitor (the company went bankrupt in March 2005). In terms of passenger kilometres, SJ Ltd had a 73% share of all railway services in 2002, with an 87% share of the long-distance (more than 100 kilometres) and a 51% share of the short-distance (less than 100 kilometres) railway services.⁶

Green Cargo, formed out of the former freight division of SJ, is the largest rail freight operator. As an indication of its market share, the company paid 73% of all track charges coming from freight operators in 2003.⁷ Like SJ, Green Cargo is fully state-owned. *MTAB* is the second largest operator, carrying out the transportation of ore on the Iron Ore Line. Being

⁶ SOU 2005:4

⁷ SOU 2005:4

a subsidiary to the mining company LKAB, it is state-owned too. *TGOJ* is another important freight operator, but this company is a subsidiary to Green Cargo. Although there are several minor private freight operators, only a few, like *BK Tåg*'s surviving freight division and newly-established *Hector Rail*) actually compete with Green Cargo and TGOJ for the same contracts.

Table 2 lists a selection of the organisations and companies making up the current Swedish railway sector, including some of their key figures. All in all, the railway companies and their supporting organisations employed almost 19.000 people in 2003. In comparison, the corresponding businesses in 1987, when they were still parts of SJ, had about 34.000 employees. Even when considering that SJ has divested a number of businesses, such as lorry traffic, forwarding agents and bus services, the number of employees in the sector has decreased by more than 40 percent. This has occurred at the same time as production, measured in passenger kilometres, has increased substantially. In other words, the sector has experienced a strong improvement in productivity during the process of regulatory change.

The *State* is a very important actor in the Swedish railway sector and has a number of roles related to railway and transportation policy issues. The state is the owner of SJ Ltd, Green Cargo, Jernhusen, EuroMaint, SweMaint and other companies, with all the responsibilities following from ownership. The state is also responsible for investments and maintenance in railway infrastructure through Banverket and for auditing, safety and regulatory issues through the Rail Agency. The role as owner also has to be combined with the role as the entity responsible for setting up the basic conditions for competition and running firms in society, in this case the rules of the game in the railway market. In addition to this comes the role of forming the long-term national transport policy. It's a delicate problem for the state to carry out all these roles simultaneously without causing conflicts.

Table 2. The most important actors in 2003 (turnover and number of employees)

Firm/Organisation	Turnover (million SEK)	Employees
Banverket	7959	6603
Green Cargo	6194	3612
SJ AB	5758	3476
SwedCarrier ¹	2779 ²	2262 ²
EuroMaint	1653	1666
Citypendeln	1069	956
Jernhusen ¹	875	192
ISS TraffiCare	586	905
RailCombi	497	174
Malmtrafik	416	157
SweMaint ¹	404	251
Tågkompaniet ¹	401	229
Connex Tåg	N.A.	N.A.
A-Train	359	173
Svensk Banproduktion	320	305
Transitio	264	15
TGOJ Trafik	198	150
BK Tåg	177	127
Roslagståg	163	180
Tågåkeriet	76	48

¹ The numbers refer to the business year of 2002/03.

² The numbers include subsidiaries (EuroMaint, Jernhusen, SweMaint) that are also listed separately.

5. The process of regulatory change and the current state – an interpretation

One approach to interpret the Swedish railway deregulation is to look separately at the process and the outcome, before looking at the overall picture. This forms the basic structure of this section of the paper.

The process

The process of regulatory change may be divided into six steps if one considers what problems that were supposed to be solved on each occasion and what new problems and possibilities that appeared.

Step 1 consisted primarily of the vertical separation of SJ's track infrastructure division (forming Banverket) from other parts of the business administration SJ, and secondary of the decentralised responsibility for unprofitable local and regional services to the CPTAs. The problems that were to be solved were SJ's large deficits and the lack of resources for infrastructure investments. The possibility to finance an expanded and upgraded railway network was created, at the same time as new problems appeared concerning the co-ordination between SJ and Banverket. The separation of track infrastructure from operations was the basic condition for making competitive tendering of railway services possible, with SJ and other operators as bidders. Decentralisation facilitated the actual introduction of tendering, at the same time as it increased the co-ordination between different modes of transportation on local and regional level. This showed that a potential existed for both lower costs and developed services.

Step 2 implied a formalised and continued subjection of SJ's traffic operations to competition. Tendering of unprofitable inter-regional lines began in 1992 and 1992-93 LKAB was given a traffic licence on the Swedish part of the Iron Ore Line. One problem to be solved was SJ's growing strength on the transportation market, but also the large deficits of the subsidised services. The possibilities for new operators to enter increased, but competition also created conflicts between SJ and its new competitors. Recurrent problems concerned the access to the railways' critical resources – the common functions and the timetable slots.

Step 3 was the decision to deregulate the freight transportation market in 1996 and to transfer more functions to Banverket. Problems to be solved were the lack of competitiveness of rail freight services and the difficulties to achieve neutral terms of competition between SJ and other operators. The possibilities to establish rail freight services were improved, but the actual access to the common functions that remained at SJ continued to be a limiting factor.

Step 4 was the transport policy decision of 1998 that transferred even more functions to Banverket and tried to improve the neutral terms of competition, but for several critical common functions and factors of production (especially the rolling stock) the situation was not altered significantly. It became more and more clear that the regulatory framework was

not consistent. Although vertical disintegration had progressed far by means of separating several common functions from SJ, the company still controlled several central and for railway services critical resources, creating problems when competition is introduced. However, the creation of the rolling stock company Transio illustrated that several actors on the market were willing to become responsible for critical resources. The company meant that the CPTAs commitment to buy new trains was enhanced. Through this, they were able to lower costs of financing new train, by means of co-ordination and risk allocation. Newly added inter-regional lines to be tendered, combined with a tougher Government policy towards SJ concerning its price for supplying other operators with rolling stock, lead to a break-through for the competing passenger train operators. However, problems arise when companies take over services previously run by SJ and SJ's market position is believed to be threatened.

Step 5, the separation and corporatisation of SJ in early 2001, aimed at the creation of a solid structure for competition neutral terms of access to the railways' resources, but was also a way to strengthen SJ and make its passenger division more similar to its new international competitors. It led to increased competition, primarily in the vertical value chain, while the options for competition in operations remained rather unaffected.

Among the new apparent problems is the fact that it is mostly SJ that has gained increased possibilities and freedom to act. The decision in 2003 to grant SJ an additional amount of state capital led to two reinforcements of the future competition for passenger railway services. Firstly, the future volumes of tendered traffic will increase since SJ Ltd will never again be able to take back services once they have been tendered. Secondly, Rikstrafiken (via the remains of ASJ) will function as a rolling stock company for operators competing for inter-regional tendered services.

Step 6, the creation of the Rail Agency and the new Railway Law, was a way to harmonise the Swedish regulatory framework with that of the European Union, after the decision on the first railway package.

The process of regulatory reforms clearly indicates three things that have changed over time: 1) the view upon the aims of the reforms, 2) what institutional changes that are necessary, and 3) the vision on how far a total deregulation may reach at a certain stage. These changes are summarised in Table 3 below, also showing that Sweden initially preceded the European development, but now the European Commission is prepared to go further than Sweden has done so far.

Table 3. The goals of the reforms and institutional changes 1988-2005

	1988	1993-94	2005
Existing/ necessary institutions	Banverket, CPTAs, operator SJ	Banverket, CPTAs, Railway Inspectorate	Banverket, CPTAs, Rikstrafiken, Rail Agency
Common functions	At SJ	From SJ at cost price	From Banverket or companies on markets
Rolling stock	At SJ	CPTAs, and from SJ at market price	CPTAs, rolling stock companies and operators
Railway network logistics – timetables etc.	At SJ	SJ handles train traffic control	Handled by Banverket
Goals of deregulation/ reform	SJ to become profitable	Competitors to enter niche markets. SJ to become more efficient	Total deregulation of passenger and freight railway services
Deregulation on EU level	Not initiated	Directives on separation of tracks from operations	Decision on deregulated freight services from 2006 Proposal to deregulate inter- national passenger railway services from 2010 (incl cabotage)

The only remaining obstacle to a complete deregulation, according to two recent government-initiated investigations, is the orchestration of the institutional system and the established markets for the common functions. In these reports there are no longer any doubts that new firms will enter the market – they are already present. Likewise, there are no more doubts that the common functions may be provided by independent actors or on functioning markets – it is already being done.

The outcome

Looking at the outcome of deregulation we do not find clear results. It is possible to point at several indicators of major progress following from the regulatory changes and reforms. The railway network is modernised. The railways have succeeded in developing new and competitive products within passenger services – local trains, fast regional trains, and the X2000. Productivity has improved. Several new firms have entered the Swedish market. This has had an impact upon the establishment of workable competition for the tendered services and the existence of functioning markets for several of the services and factors of productions that train operators make use of in their businesses. Problems remaining to be solved are: a) the still huge deficits in the railway sector (although they are now spread among more organisations than just SJ – Banverket, the CPTAs, municipalities, companies, etc.), b) that railway freight services lose shares to lorry transportation on a growing freight transportation market, and c) that the competing firms for passenger train services still do not have equal access to rolling stock.

The biggest change is that the business administration SJ, the single railway industry actor in 1988, has become separated into several new organisations. SJ's position has thereby weakened although SJ Ltd is still a monopolist on the commercially attractive parts of the main lines and Green Cargo dominates in rail freight transportation. It should also be mentioned that, although SJ during the whole deregulation process has been subjected to recurrent political demands to focus on its core business, it has always been unwilling to give up parts of its business that it considered able to support its role as a railway operator.

Another important change is that many decisions concerning the railways, not least the traffic services, have become decentralised. Through decentralisation of decisions on local and regional railway lines, the central government has been able to increase the commitment of the CPTAs in this part of the railway services. Decentralisation increases the possibilities to co-ordinate all public transportation at the local and regional level. Local and national tenders have resulted in both reduced costs for railway lines and increased costs for new lines or more traffic. The net outcome for the CPTAs is probably that more traffic and passengers have been achieved at a lower cost. At the same time, travellers have also gained from the fact that more train connections have become available by means of using the subsidised regional travel cards. There is also reason to believe that SJ in several ways has gained from being able to let the CPTAs take over this type of services. For example, the minor lines feed passengers into SJ's own network. There are also negative aspects of decentralisation. From the perspective of

the CPTAs, the increased responsibility has often been seen as something being forced upon them. In some cases, very unprofitable train services have been kept running despite that they could have been replaced by bus services.

An overall view and the current state

An overall view of the process of deregulation and its outcome is that it consists of political decisions and initiatives on the international, national and regional levels, and of the reactions from the market actors following these decisions and initiatives. The deregulation is therefore an interplay between politics and markets. The Governmental bodies have learnt that clear rules of the game are necessary in the railway market and that these rules gradually must be redefined since the market actors by their conduct give rise to unexpected effects of legislation. This is why, as deregulation proceeds, the number of investigations and political decisions increases. In a deregulated market, there is a clear need for rules directing the actions of the actors (something that may seem like a paradox at first). The political decisions and initiatives to change the organisation of the railways have sometimes focussed on competition among the operators, and sometimes on the vertical relationships between suppliers and operators.

The current state is one of several competing models for how railway services should be handled: a) with SJ as a monopolist on profitable lines specified by SJ, b) with open access for freight operators (to some extent limited by already established services), c) under national tendered contracts where the operator bears the revenue risk (net cost contracts), d) under regional tendered contracts where the CPTAs bear the revenue risk (gross cost contracts), e) under contracts between SJ and CPTAs that have not been tendered, and f) with private monopoly firms on commercially attractive lines such as the Arlanda Airport Link.

Consequently, despite more than fifteen years of deregulation and liberalisation, and tens of billions of Swedish crowns in subsidies, the Swedish railway sector continues to be in search of a single stable regulatory structure. Recurrent government investigations have evaluated the effects of the regulatory changes and investigated the possibilities to solve the remaining problems to achieve the long-term goal of increased railway transportation to get a socio-economically effective and sustainable Swedish transport system.

6. Concluding discussion

In this concluding section, two main issues will be handled. The first is when to proceed with the continued deregulation of passenger services in Sweden. The other is a checklist of some critical matters to be considered regardless of when the process continues.

A continued deregulation – now or later

The process of regulatory reforms in the Swedish railway sector was initially not meant to result in deregulation and subjecting SJ to competition, but to help SJ to become profitable by means of increased efficiency and more attractive transportation services. However, since more than 10 years, two opposing policies have become increasingly visible – a fast deregulation or a slower, more extended process.

Previously in this paper, we have presented the motives, processes and problems that have driven the Swedish deregulation forward. At every step along the way, there have been arguments both in favour and against going on with deregulation.

For a long time, Sweden was among the pioneers in Europe when it came to structural changes in the railway sector and the opening of several sub-markets to tendering and competition. Several of the changes applied in Sweden have affected railway policy in other European countries. Today, the conditions are somewhat different. The current work on a future regulatory system increasingly has to take the development on the EU level into account. An implementation of the third railway package from 2010 would have a great impact in Sweden. The closeness to Denmark (via the Öresund bridge) increases the potential for operators that offer international services between the two countries to also compete directly with today's SJ services between for example Malmö and Stockholm. SJ's core services are therefore very likely to be challenged, while the tendered services may still be protected from this type of competition.

With this in mind, one could say that EU now offers a five-year-respite to what's left of the Swedish railway monopoly on passenger services. How may and should this temporary freedom to act be used?

Four alternative options seem possible:

1. An immediate abolishment of SJ Ltd's monopoly on commercial passenger services and a continued development towards competition in all parts of the chain.

2. A co-ordination of a continued deregulation with the decision and implementation of EU's third railway package, possibly meaning competition on-the-tracks from 2010.
3. That Sweden "freezes" its current regulatory structure and proceed with deregulation later than what is suggested in the third railway package.
4. That the regulatory framework and contracts of today are adjusted with coming EU changes in mind, but only in ways meant to protect SJ's position on the Swedish market.

Although all these courses of actions are possible to choose, the third and fourth options seem less likely. Option #3 presuppose that a decision on EU's third railway package is delayed or that member state implementation is not forced through, at least not in the short run. If Sweden acted like this, it would be against the previous development and the Swedish tradition to comply early with new EU regulations.

The fourth option presuppose that the services of all lines that have not been tendered are brought into a new contract with the state, in order to give it public service characteristics. For the commercial lines this would mean that the contract specifies a supply and a standard above what would be offered under normal market conditions. In principle, this alternative would be close to a re-regulation and also a step back from Sweden's previous relationship towards EU.

For these reasons we will only discuss the first two alternatives in more detail, that is an immediate deregulation versus a deregulation in 2010.

Going fast: an immediate deregulation

About ten years ago (1994), the right-centre-government tried to implement a "complete" deregulation of the Swedish railway market. At that time a deregulation would probably had a limited effect. Most of all, there were no actual competitors to SJ with the ability to take over railway services. SJ also controlled most of the important factors of production and the common functions. Today, in 2005, the possibilities for a complete deregulation are much more realistic, even if (as in 1994) there are circumstances working both for and against a fast deregulation. We may identify eight clear factors that support the view to fully deregulate the Swedish railways as soon as possible:

1. The Swedish railway monopoly will have to be abolished sooner or later.
2. Since deregulation was initiated in 1988, SJ has continuously experienced profitability crises and difficulties to achieve its goals.

3. There are enough companies interested in running railway passenger services in Sweden to achieve reasonable competition on the market in case of a fast deregulation (Keolis, Connex, Tågkompaniet and SJ Ltd). It is also likely that a fast deregulation may attract entry from firms such as Arriva, DSB, NSB and DB. The firms show an interesting heterogeneity, which may lead to a specialisation on different kinds of sub-markets.
4. Historically, new entrants have been innovative on other areas than SJ.
5. Historically, new entrants have not been significantly less skilled than SJ in achieving profitability and functioning services.
6. If Sweden deregulates faster than other EU member states, the probability of an inflow of foreign capital and know-how increases, since the Swedish market will be a market where the companies can learn how the future deregulated European market may function.
7. A complete deregulation gives incentives to start new companies and develop competence that may form the basis of firms that are capable of competing on the future deregulated EU railway markets. Similar possibilities should also be available for already established firms, being useful when entering other markets.
8. Not until deregulation has been applied to the whole railway sector, will the companies be able to freely compete for all types of resources on all markets.

Going slow: five more years of monopoly for SJ Ltd

One important problem linked to the deregulation of railways is that most steps in the direction of increased deregulation are irreversible. Once the decisions have been implemented it is difficult, or even impossible, to go back to the former regulatory structure, even if it ex post would be considered better than the more deregulated structure. In the Swedish case it is probably neither desirable or possible to go back to the previous market structure (see for example SOU 2005:4), but this kind of reasoning leads to a principle of caution, saying that it is better to proceed slowly with deregulation. For example, this was how the Social Democrat government reasoned when it took office in 1994. It cancelled the decision of the right-centre-wing government to fully deregulate the railway sector and chose a less far-reaching deregulation. New steps of deregulation then followed.

There are six clearly identified factors that argue against an imminent and complete deregulation of the Swedish railways:

1. It is possible that the implementation of EU's third railway package will be delayed and be designed differently from what we believe today.
2. If Sweden goes ahead in advance of the rest of the EU, there is a risk that primarily foreign firms that still have a protected home-market will take advantage of this.
3. The deregulation may result in an unnecessary waste of resources and cause problems as new operators take over operations previously run by SJ. Such problems have occurred previously, for example on the West Coast Line, in the Stockholm commuter line network, and currently lead to reduced travelling on the night trains to the Northern parts of Sweden.
4. SJ AB should be given enough time to reorganise its business in order to be able to compete with foreign operators when the European market is opened in 2010.
5. Today's customers have many problems that need to be solved before more lines are opened for competition, for example the somewhat limited possibilities to buy a ticket valid for the whole journey if it involves more than one train operating company.
6. Capacity problems on the most attractive lines may occur if several operators replace a former monopolist. In Great Britain, such problems have occurred on lines where several companies share the services by means of competing for a limited number of timetable slots during rush hours, using shorter trains with fewer seats than a monopolist with longer train would do.⁸

An overall judgement

Apart from the factors mentioned above we find it necessary to bring up some additional observations, that add to our analysis and overall judgement whether Sweden should proceed fast or slow with a continued deregulation.

Our first observation is that SJ Ltd still runs what the general public believe is the core business of the former business administration SJ – passenger services by rail. It may be in line with the public interest to keep these operations in one and the same state-owned company, in order to guarantee a continued socio-economic attractive railway network in Sweden. Nevertheless one may observe that SJ Ltd has little more than the name in common with the business administration SJ of the year 2000. Top management has been changed several times, the company has lost 60-80 percent of its staff, key competencies and property

have been transferred to other companies, for example vehicle maintenance, station management, time tabling, railway freight and combi traffic. Although SJ Ltd thereby is smaller than its sister company Green Cargo, it is much more present in media and also seems to have a greater impact upon the political process. This is due to the fact that SJ's top management, ever since deregulation was initiated, successfully has acted to make SJ seem like the leading proponent of the interests of the railway industry. The ambition to keep a national monopoly for railway services has been a very important restriction in the Swedish deregulation, but today, the state has a much wider responsibility in the sector than just guaranteeing the survival of SJ Ltd. It is quite possible that a continued deregulation in Sweden and in the EU would make other state-owned companies than SJ more interesting for future development. It is also very likely that other key competencies in the railway system are more important to govern than to keep SJ as the primary provider of commercial passenger services.

Our second observation is that Sweden today, in 2005, has the institutional structure that is necessary for a completely deregulated railway market. True, one may argue that it has yet to turn ripe and ready for the development of important competencies necessary in a deregulated market. The business administration SJ was split up only four years ago, Banverket has got a number of new tasks in recent years, the Rail Agency, the central authority for safety and competition issues, was founded in 2004, and the role of the CPTAs in the railway system is still under construction. Nevertheless, the structure is in place and *a priori* there is nothing that indicates that it would not be able to handle the challenges of a fully deregulated system. Single firms as well as the industry in general have gone through a process of learning during the deregulation, leading to an increased awareness and knowledge of both difficulties and possibilities of relevance for railway operations in Sweden. The knowledge is now spread over more organisations, instead of being kept inside one company – SJ.

Our third observation is that it is already a problem that traffic that SJ is not able to run commercially, or even neglects to develop, primarily is put on the list for increased commitment from public actors. There is a risk that this makes subsidies to be viewed as the only possible solution for survival. Recently, some CPTAs in the north and in the south have applied for an increased common traffic licence in their respective parts of the country, in order to guarantee a certain minimum standard of the train services. These efforts from the

⁸ See t.ex. Nash & Matthews (2003)

CPTAs to seek solutions of their own may be viewed as a sign that the system of SJ's remaining monopoly rights works against the development of train services.

Our overall judgement is that Sweden and the Swedish railway sector as a whole have more to gain from proceeding fast with a continued deregulation, thereby abolishing the rest of SJ Ltd's monopoly in the passenger service market. A recent report ordered by the government, instead follows the tradition to argue for a slow process of deregulation, proposing a step-wise opening of the market until 2010.⁹ Given that Sweden in the end has the intention to fully deregulate the market, we argue that such a post-poning policy comprises an important problem: it will primarily be favourable to SJ Ltd rather than the railway sector as a whole.

It should also be emphasised that the conditions for SJ Ltd to handle and even be strengthened by a fast reconstruction following a fast deregulation should be very good, at least on the national level. The company has a unique competence on the functioning of the railway market, having experience from tendered services as well as commercial traffic, and still has the strongest brand name in the industry. Moreover, SJ has access to a large fleet of vehicles well suited for the Swedish market.

Critical issues for a deregulation now or later

Above we have concluded that the Swedish railway deregulation has resulted in competitive tendering, decentralised responsibility and the development of institutions and competition neutral rules of the game. It has been a stepwise and irreversible process. For the future, the development on the European level will to some respects take the Swedish deregulation further than today. Three issues seem critical for the next step in the deregulation: a) how the deregulated system should be designed, b) the access to rolling stock, and c) how the state-owned companies should develop up and to a complete deregulation of the Swedish railway market.

Concerning the actual implementation of a complete deregulation and the abolishment of SJ Ltd's remaining monopoly rights, it is clear that a market opening may be designed in several different ways. Among the options to be considered are auctions, public procurement or competition on-the-tracks. It is beyond the scope of this paper to go further into these alternatives, but it is our view that each alternative, or a combination of several of them, are fully possible to implement. Depending of the chosen model, one should focus upon the

⁹ Persson & Paulsson (2004-12-17)

direction and management of the institutional conditions and the markets for common functions and resources available today.

The one resource that perhaps more than any other has been debated during the Swedish deregulation process is the rolling stock and the access to suitable vehicles for other actors than SJ. During the process of deregulation, these problems have at least partially been solved. For the regionally tendered services, the CPTAs provide the operators with the necessary rolling stock, either by themselves or via their rolling stock company Transitio. Rikstrafiken may (via ASJ) provide vehicles to operators of tendered inter-regional services. In our view, it may be suitable to have ASJ developing into a true state-owned rolling stock company for the tendered services. Thereby, this usage of this stock of capital is continued, as the same time as the risk is diminished for the competing operators. Turning to the traffic that now and in the future is run on a commercial basis without subsidies, we believe that the vehicles of the operators should primarily be means of competition, rather than provided for by public authorities. Otherwise, there is a risk that competition will be limited to a smaller part of the total costs than desirable. In the long run, this should also be the case for the tendered services.

An important component of the process of deregulation has been the expansion of the CPTAs' traffic rights, saving lines from closure and making new traffic solutions possible. regardless of how good the intentions are, the trend to co-ordinate the services of several CPTAs and seeking licenses to run public train services in larger and larger areas may lead to institutional lock-ins in the future. The strong position of the CPTAs may ultimately be a hindrance to alternative commercial services and the implementation of a deregulated market as intended in the third railway package. Therefore, we argue that the abolishment of SJ's remaining monopoly rights must be combined with some form of limitation to what the CPTAs are able to do. The focus of society should be on the services that will not be supplied by private initiatives but yet are considered important.

The Swedish state is today the owner of five large companies in the railway sector: SJ Ltd, Green Cargo, Jernhusen, EuroMaint and SweMaint. Four years after the split and corporatisation of SJ it is reasonable that all these companies are treated equally by the state. All the firms represent parts of the heritage of the old business administration SJ. The state's decisions related to them should be based upon their respective prospects for development.

We find it very worrying that primarily SJ Ltd, on several occasions after corporatisation, has been allowed to take back functions that have previously been separated from the firm.

Examples include switching services and facilities for rolling stock maintenance. Once a full deregulation has been implemented it is reasonable that all actors have equal freedom to act on the market, without special restrictions for any specific firm. Until then, however, one should be aware of the actions of the firms, in order to safeguard that important conditions for a continued deregulation and increased competition are not lost in the process.

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Appendix

Swedish transportation policy and important events in the railway sector 1979-2005

Tidpunkt	Beslut eller händelse	Berörd del av järnvägstrafiken	Mål	Huvudsakliga effekter
1979	• Transportpolitiskt beslut	• Lokal och regional järnvägstrafik	<ul style="list-style-type: none"> • Skapa en ny institutionell struktur för lokal och regional kollektivtrafik. • Justera kostnadsbördan mellan konkurrerande trafikslag så att kostnaden för infrastrukturen svarar mot marginalkostnaderna. 	<ul style="list-style-type: none"> • Länstrafikhuvudmännen etableras i Sveriges 24 län, med formellt ansvar för busstrafik och en del lokal och regional järnvägstrafik. • Ett första steg mot att föra över kostnadsansvaret för regional järnvägstrafik från staten till länen.
1985	• Järnvägslag	• All järnvägstrafik	<ul style="list-style-type: none"> • Förbättra SJ:s ekonomiska resultat. • Låta SJ:s ledning agera mer som ett vanligt marknadsanpassat företag. 	<ul style="list-style-type: none"> • Separering av redovisningen avseende infrastrukturen från trafikdriften. • Ökning av de totala investeringsanslagen. • Minskad centralstyrning av SJ:s ledning.
1988	<ul style="list-style-type: none"> • Transportpolitiskt beslut. Viktiga delar: 1. Separation av infrastrukturens organisation (Banverket) från trafikdriften (SJ). 2. Uppdelning av nätet i stomjärnvägar och länsjärnvägar. 3. SJ skall koncentrera sig på järnvägstrafiken. 	• All järnvägstrafik	<ul style="list-style-type: none"> • Trygga järnvägens långsiktiga överlevnad, baserat på dess fördelar ur miljö- och säkerhetssynpunkt. • Trygga en balanserad regional ekonomisk tillväxt. • Åstadkomma en liknande organisering av infrastrukturen för järnvägar och vägar. • Förbättra SJ:s ekonomiska ställning. 	<ul style="list-style-type: none"> • Ett omfattande infrastrukturinvesteringsprogram påbörjas. • SJ börjar gå med vinst. • SJ börjar gradvis sälja av icke järnvägsrelaterade verksamheter
1 juli 1990	• Länstrafikhuvudmännen får ansvaret för den regionala persontrafiken på länsjärnvägarna och kan handla upp trafiken i konkurrens.	• Lokal och regional persontrafik	<ul style="list-style-type: none"> • Öka koordineringen mellan buss- och järnvägstrafik. • Minska kostnaderna för lokal och regional persontrafik på järnväg. 	<ul style="list-style-type: none"> • SJ blir tågtrafikentreprenör. • Privata företag vinner en del upphandlingar. • Ökad koordinering av buss- och järnvägstrafik. • Nya lokala och regionala linjer lanseras. • Minskad kostnadsnivå
1 jan 1991	• Järnvägssäkerhetslag: Tillstånd krävs för all trafik.	• All järnvägstrafik	<ul style="list-style-type: none"> • Definiering av ansvaret för säkerheten på järnvägen. • Öka säkerheten på järnvägen. 	• Uppmärksammar det stora antalet spårägare vid sidan om Banverket.
Våren 1992	• LKAB får trafikeringsrätt för godstrafik på Malmbanan.	• Godstrafiken på Malmbanan	• Minska kostnaderna för trafiken	<ul style="list-style-type: none"> • Minskade trafiktkostnader genom besparingar och minskade vinstmarginaller för SJ och NSB. • Samma personal i arbete längs hela linjen.
1992-93	• De olönsamma interregionala linjerna anbudsupphandlas för första gången.	• Interregional persontrafik på stomnätet.	<ul style="list-style-type: none"> • Minskade kostnader • Test av möjligheter till konkurrens inför kommande avreglering. 	<ul style="list-style-type: none"> • Verklig konkurrens om uppdragen på 4 av 12 linjer. • SJ vinner alla kontrakt men tvingas acceptera lägre ersättning. • Några femårsavtal tecknas.

Tidpunkt	Beslut eller händelse	Berörd del av järnvägstrafiken	Mål	Huvudsakliga effekter
maj 1994	<ul style="list-style-type: none"> Riksdagsbeslut om långtgående avreglering från 1 januari 1995, inklusive konkurrens på spåret. 	<ul style="list-style-type: none"> All persontrafik på stomlinjerna 	<ul style="list-style-type: none"> Öka effektiviteten i järnvägsdriften. 	<ul style="list-style-type: none"> Beslutet upphävs efter socialdemokratisk seger i riksdagsvalet 1994. I stället tillsätts en ny utredning av järnvägens organisation.
sep 1994	<ul style="list-style-type: none"> Privat konsortium utses till vinnare i upphandlingen av byggandet och drivandet av Arlandabanan. 	<ul style="list-style-type: none"> Persontrafiken på ny järnvägslinje 	<ul style="list-style-type: none"> Öka den privata sektorns andel av infrastrukturinvesteringarna. 	<ul style="list-style-type: none"> Det nya järnvägsbolaget A-Train påbörjar persontrafiken på banan under 1999. Bolagets monopolliknande ställning begränsas efter den socialdemokratiska valsegern.
1 juli 1996	<ul style="list-style-type: none"> Banverket övertar funktioner för trafikledning och fördelning av spårkapacitet från SJ. Länstrafikhuvudmännen får utökade rättigheter att bedriva trafik på stombanor inom sina respektive län. I princip fri tillgång till spåret införs för gods- trafikoperatörer. 	<ul style="list-style-type: none"> Godstrafiken på alla järnvägslinjer. Persontrafiken på de regionala delarna av stommätet. 	<ul style="list-style-type: none"> Utveckla godstrafiken på järnväg. Underlätta för trafikhuvudmännen att koordinera och förbättra den regionala trafiken. 	<ul style="list-style-type: none"> Malmtrafik bildas. Flera mindre godstrafikoperatörer får egen trafikeringsrätt, men förblir i vissa fall underentreprenörer till SJ. Problem uppstår p.g.a. att SJ äger en betydande del av det kapillära bannätet.
mars 1997	<ul style="list-style-type: none"> Kom-Kom:s slutrapport. Föreslår en ny uppdelning av järnvägsnätet i ett affärsbanenät och ett interregionalt basnät. Föreslår också att spåravgifterna för godstrafik avskaffas. 	<ul style="list-style-type: none"> All järnvägstrafik 	<ul style="list-style-type: none"> Öka järnvägens konkurrenskraft gentemot andra trafikslag. Alla typer av transporter skall täcka sina samhällsekonomiska kostnader. 	<ul style="list-style-type: none"> Nya diskussioner och rapporter
mars 1998	<ul style="list-style-type: none"> Ny transportpolitisk proposition: SJ:s del av det kapillära bannätet bör överföras till Banverket. Lägre banavgifter Avreglering av den långväga busstrafiken. 	<ul style="list-style-type: none"> All järnvägstrafik 	<ul style="list-style-type: none"> Öka järnvägens konkurrenskraft gentemot andra trafikslag. 	<ul style="list-style-type: none"> Ökat antal linjer med långväga busstrafik. Nya utredningar, varav en föreslår bildande av Rikstrafikmyndighet
mars 2000	<ul style="list-style-type: none"> Ny proposition: SJ skall bolagiseras Ändrade regler om trafikeringsrätt 	<ul style="list-style-type: none"> All järnvägstrafik 	<ul style="list-style-type: none"> Öka SJ:s konkurrenskraft Stärka den upphandlade trafikens ställning gentemot SJ 	<ul style="list-style-type: none"> SJ delas upp i flera bolag från januari 2001
2002	<ul style="list-style-type: none"> Delbetänkande från Järnvägsutredningen 	<ul style="list-style-type: none"> All järnvägstrafik men främst godstrafiken 	<ul style="list-style-type: none"> Anpassning till EG-direktiv (EU:s första järnvägspaket) Upprätthålla säker, effektiv och konkurrensneutral järnvägsmarknad 	<ul style="list-style-type: none"> Ny järnvägslag Järnvägsstyrelsen bildas 1 juli 2004 och övertar Järnvägsinspektionens uppgifter Öppnare godstrafikmarknad
2003	<ul style="list-style-type: none"> Proposition om kapitaltillskott till SJ AB 	<ul style="list-style-type: none"> SJ AB 	<ul style="list-style-type: none"> Rädda SJ från likvidation Säkra en långsiktigt lönsam och effektiv statlig järnvägsoperatör 	<ul style="list-style-type: none"> SJ får kapitaltillskott Fordon för den av staten upphandlade trafiken överförs till Affärsverket SJ med Rikstrafiken som bärare av risk

Tid- punkt	Beslut eller händelse	Berörd del av järnvägstrafiken	Mål	Huvudsakliga effekter
<i>nov</i> <i>2003</i>	• Järnvägsutredningens slutbetänkande	• All järnvägstrafik	• Göra en bred översyn över järnvägssektorns organisation och lagstiftning	• Nya diskussioner och rapporter
<i>apr 2004</i>	• Proposition om Green Cargo	• Godstrafik på järnväg	• Öppna för olika typer av samarbeten mellan Green Cargo och andra företag, t.ex. försäljning eller fusion	• Diskussion om alternativa ägare till Green Cargo
<i>dec</i> <i>2004</i>	• PM "Vem får köra var?"	• All persontrafik på järnväg	• Utreda förutsättningar för marknadstillträde	
<i>jan</i> <i>2005</i>	• Regelutredningens slutbetänkande	• All järnvägstrafik	• Utvärdera avregleringarna i olika sektorer	