

bus-lines system embraces more than 1.100 firms, 18 per cent of which provides only urban services, 67 per cent only extra-urban services, and the remaining 15 per cent supplies both types of service. On the whole, this transit mode accounts for over the 80 per cent of LPT services in terms of supplied seat-kilometers<sup>2</sup>.

It is well worth remarking the recent attempts to invert this tendency towards the increasing monomodality of the LPT, which has in fact had the direct effect of worsening the already dramatic marginality of the public service in comparison with the overwhelming use of private cars. More specifically, the opportunity to develop the organization of the LPT in an intermodal way has gained strength with the emanation of the law n. 211/92 concerning the highway mass transit. This law defines a package of interventions allowed to benefit from government contributions, in particular the realization and the development of subway and tramway networks and local railway systems, with regard to which 44 projects are known to have been approved at the present time<sup>3</sup>.

## 2.2. *Ownership structure of the supplying firms*

In most of continental Europe<sup>4</sup>, local transit services are provided by only one multi-modal company under the direct or indirect authority of a public body responsible for the programming of public transport, except for some instances in which the services are operated by more than one firm (typically the case for some bus lines in the suburbs and extra-urban areas). In addition to this common feature of monopoly at local level which characterizes the provision of the LPT services, one can highlight the predominant position in the Italian sector of public operators in comparison with private companies<sup>5</sup>.

The conditions for the management of the LPT services adopted in the past were those set by the law n.151/81<sup>6</sup> (article 4), i.e., 1] on a shoestring of the local government units

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<sup>2</sup> Source: Ministry of Transport and Navigation (1997).

<sup>3</sup> These projects imply investments of over 12 trillion lire, nearly half of which covered through government contributions. More specifically, 29 of the approved projects relate to the realization and the development of subway and tramway networks, for a total amount of over 8.5 trillion lire, 40 per cent of which is covered through State funding, while the remaining 15 interventions concern the local railway lines and imply investments over the 3.7 trillion lire, mostly (84 per cent) financed by government contributions.

<sup>4</sup> Obviously, the British LPT sector in comparison with the other European countries is characterized by a different organization that reflects the liberalization process of the industry, started with the British Transport Act of 1985.

<sup>5</sup> In contrast to other European countries, in which private sector dominates the public sector in the management of the LPT services. Emblematic, in this regard, is the French case, characterized by a quota of supplying firms under the government control that falls short of the 35 per cent.

<sup>6</sup> This law, whose emanation had the scope of improving the management of local public transport utilities against the constant waste of resources, cause for progressively bigger public deficits, can be considered as the first attempt to define an organic and rational system of rules for the regulation of the LPT sector, also in sight of its reorganization and development (see the paragraph 1.3 for the details).