

(direct management), 2] through the formation of *special companies* whose complete ownership is under the local body<sup>7</sup>, and 3] in regime of concession, by means of the direct allotment of the transport lines to public-owned or private-owned firms<sup>8</sup>. In particular, the indirect management through the resort to the special company institution has represented without doubt the most recurring model and this allows us to justify the peculiar ownership structure, namely more public-oriented, that characterizes the Italian LPT sector.

**Table 1 - Local public transit: main traffic data for the road transport by separating local state-owned from private-owned companies (years 1985-1995)**

Type of traffic index	Years	Local State-owned companies	%	Local private-owned companies	%	Total
Vehicles (number of buses)	1985	26,113	66	13,547	34	39,660
	1990	28,053	66	14,416	34	42,469
	1993	27,639	66	14,139	34	41,778
	1994	26,827	64	14,773	36	41,600
	1995	26,032	63	15,277	37	41,309
Number of service workers	1985	94,070	80	23,341	20	117,411
	1990	87,405	78	23,997	22	111,402
	1993	80,722	78	22,228	22	102,950
	1994	76,482	77	22,640	23	99,122
	1995	71,621	76	22,575	24	94,196
Passengers (in millions)	1993	3,090,611	87	460,061	13	3,550,672
	1994	3,122,765	87	462,448	13	3,585,213
	1995	2,995,127	85	513,768	15	3,508,895

Source: Ministry of Transport and Navigation (1997)

<sup>7</sup> The legislative definition of the *special company* institution has changed out of all during the years with respect to what the legislator referred to in 1981, moving towards a larger autonomy from the owner local body as regards the managerial policy. At present this institute is regulated by the law n. 142/90, stating under the first paragraph of the article 23: “the special company is a local body’s instrumental institution, incorporated and endowed with entrepreneurial autonomy and its own statute which was approved by the town council”.

<sup>8</sup> With regard to the granting of transport lines concessions, the law n. 151/81 referred to special regional ordinances, which had to establish: a) the term and the procedure of the allotment, b) the conditions for the practice, as regards the safety and the regularity of the services, c) the circumstances of rescission and d) the cases of interregional lines. The reform of the LPT sector, started in the second half of the nineties, has been attempting to introduce important innovations with regard to the process of awarding concessions, in particular by recommending the resort to competitive tendering (decree law n. 422/97), in order to promote the competition and encourage the allocative efficiency in the sector. However, as we well see in the paragraph 3, the regions and the local bodies have been revealing conspicuous delay in adopting such measures. This has raised the intervention of the National Antitrust Authority (AGCM) and has compelled to the emanation of new more stringent rules on the subject (decree law n. 400/99) to urge the regional and local authorities to conform to the guidelines of the reform.