



Marco Ponti Discussion Paper No. 2010-19 Prepared for the Round Table of 2-3 December 2010 on
"Effective Regulatory Institutions: The Regulator's Role in the Policy Process"
**TRANSPORT REGULATION FROM THEORY TO PRACTICE: GENERAL OBSERVATIONS AND A
CASE STUDY**

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1) The Italian case: institutional aspects

- Failed attempts to set up an independent regulatory authority for the transport sector
- The NARS: a weak, isolated consulting body for a political committee in charge of the decisions (CIPE)
- The NARS role in "moral suasion", and its collaboration with the antitrust authority
- Now NARS it is fading away.....other, non-independent actors within the transport ministry declare themselves "regulators" (ANAS, ENAC, a railway new agency), but a strong request of a real authority emerged



2) The Italian case: modal aspects

- The battle for toll highways: a fatal initial "mistake" on efficient dimensions, based on a conflict of interest, and an ambiguous price-cap definition (RAB, claw-back). The final result: the combined public-private interests of the regulated companies obtained "more than expected", and are making egregious profits**
- Rail regulation: a short-lived attempt to define a "price+transfer cap". Electoral reasons prevailed. Present conflict with new entrants.**



3) The Italian case: more modal aspects

- **The regulation of airports: a "half dual till". The evidence of the weakness of NARS: the 3 Ds (Deny, Delay, Detail). Some later formal improvement (half of the landside profits). Final "abdication" of ENAC: from 1 to 3€ for non-evaluated investments (gold plating).**
- **The regulation of ports: just non existing. Discretionary transfers of public money for investments .**



4) The Italian case suggests a set of possible recommendations

- **Build alliances with other regulatory agencies, also at an upper level (European Commission). Isolation makes capture more easy.**
- **Use extensive and transparent quantitative evaluation methods (cost-benefit analysis). Discretionary approaches makes capture more easy.**
- **Define from the beginning a strict efficiency-oriented scope for the regulatory agency: social and environmental issues are prone to political meddling.**
- **A special problem is the regulation of infrastructure investments: here further research is severely needed.**



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**Thanks ! Comments much welcome at the
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