

The regulation of local public services in Europe and the Italian case

Andrea Sbandati

*ISS - International Summer School
on Regulation of Local Public Services – Turin school of local
regulation*

Torino, September 10, 2015

Summary

- Market structures
- Regulation models
- Service providing operators models
- Italian case

Market structure

<u>Services</u>	<u>Monopoly</u>	<u>Market</u>
Water services	Usually all	Water competition (English case)
Waste Management	Municipal solid waste services	Recycling ? Plants ? Industrial and commercial wastes. Polish and Ireland case of liberalization.
Gas distribution	All	Only selling services (liberalization directive)
Local transports	Usually all	Some high capacity lines

Regulation models

<u>Monopoly regulation models</u>	<u>Where</u>	<u>Contracts</u>	<u>Indipendent authorities</u>	<u>Tenders</u>
Public ownership and direct management	Almost all countries	Not always	Not always	No
Regulation by contracts and tenders	France	Yes	Not always	Yes
Regulation by authorities (tariffs, quality of services)	England, Italy	Not always	Yes	Not always

Providers models

<u>Provider models</u>	<u>Competition</u>	<u>Risks</u>	<u>Best side</u>
In house	Any	Political interests and inefficiency	Public interest and direct control
Public Private Partnership	Tender for the partner (double issue)	The worst of public and private attitudes	The best of public and private attitudes
Companies listed on the stock exchange	Take over and competition on shares	Only financial interest	Control on efficiency and investments
Private	Tender for concessions	Only profit interest	Control on efficiency

Italian case

<u>Operators</u>	<u>Turnover (billions of euros)</u>	<u>Operators typologies</u>	<u>Number</u>
Water	7	In house, listed in SE, PPP, private	200
Waste	10	In house, listed in SE, PPP, private	500
Gas distribution	4	In house, listed in SE, PPP, private	350
Local transports	5	In house, PPP, private	500

Italian case

<u>Italian case</u>	<u>Demand authority</u>	<u>Local Authorities</u>	<u>National Authorities</u>	<u>How to provide</u>	<u>Tariff sistem</u>	<u>Scale economies</u>
Water	ATO	ATO	AEEGSI	PPP, tender, franchise,	Yes	Yes
Waste	ATO	ATO	No	PPP, tender	Taxation	Yes
Gas distribution	Municipalities	No	AEEGSI	Only tender	Yes	Yes
Local transports	Regions/provinces	No	Transporto authority	Only tender	Taxation, tariffs not regulated	Yes

Thank you

Andrea Sbandati

asbandati@confservizitoscana.it