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Address by President Nicola Zaccheo

12 September 2023

Distinguished Guests, Ladies and Gentlemen,

I wish to thank the President of the Republic, Sergio Mattarella, for receiving the Board of the Authority, and the President of the Chamber of Deputies, Lorenzo Fontana, for kindly hosting this event in the prestigious *Sala della Regina*. Together with the other members of the Board, Carla Roncallo and Francesco Parola, I thank the representatives of the Parliament and the Government, the civil and military authorities, all those who are attending today and those who follow us in streaming.

The Annual Report that I present today illustrates the activity performed by the Transport Regulation Authority (ART) between June 16, 2022 and June 30, 2023.

**THE 10TH ANNUAL
REPORT OF THE
AUTHORITY**

This year's address is particularly significant, as the 17th of September marks the 10th anniversary since the establishment of the Authority. This important milestone enables us to draw a balance of the first ten years of activity and of the effects of the regulation adopted by the most recently established amongst the public utilities regulatory authorities.

Recent years witnessed an evolution in the habits and modes of transport: a process characterised by major innovations that, despite the pandemic emergency, which dramatically affected the whole sector in the last three years, is ongoing and, indeed, is boosted by the objectives of ecological and digital transition outlined in the National Recovery and Resilience Plan (NRRP).

Therefore, the ten-year anniversary provides the opportunity to highlight the results of the regulatory action of the Authority, especially as concerns ensuring equitable and non-discriminatory conditions of access to infrastructure, cost containment for users, businesses and consumers, transparency and competitiveness for transport companies, production efficiency, quality of services and protection of users' and passengers' rights, to mention the main areas of ART's activity.

The ten-year balance is dealt with in the first part of the Report. In the conclusions, I will expand on the evolution of ART's role that is necessary to address the challenges lying ahead of the transport sector.

Let me briefly illustrate the most relevant activities carried out by the Authority in the period under consideration, which are exhaustively and fully described in the Annual Report.

Access to infrastructure

In the first area of competence, concerning the regulation of access to infrastructure, starting from the airport sector, the period considered has been characterised by a thorough review of the airport charges regulatory models and by the conclusion of the relevant proceeding, that was initiated following the outcome of an *ad hoc* Regulatory fitness evaluation (RFE).

Airport infrastructure

The new airport charges regulatory models

The number and complexity of the comments received on the proposed draft regulation, in the context of the public consultation launched in May last year by Decision no 80/2022, required extensive

work to complete the preliminary inquiries and the adoption of transitional measures to ensure regulatory continuity. The new airport charges regulatory models were eventually adopted in March 2023, by Decision no 38/2023.

These models apply to all airports open to commercial traffic; a simplified regulatory framework applies to smaller airports (with passenger traffic equal to or less than one million per year).

Among the main innovations introduced by the new regulatory act are measures to promote greater transparency, with regard both to regulatory accounting schemes and accompanying documentation submitted to consultation. Transparency requirements have also been strengthened with regard to air incentives, so as to avoid potential discrimination and distortions of competition.

Furthermore, under the measures, the Authority determines the annual calculation of all the variables that make up the Weighted average cost of capital (WACC) thus ensuring, like in other regulated areas, uniform application of the methodology for setting the rate of return on the net invested capital, and a single value for the entire sector. A benchmark for efficient management has been introduced for the purpose of setting the annual rate of productivity improvement.

The new regulatory act further sets out the criteria and procedures for the Authority to validate the grant of a higher rate of return on the net invested capital (so-called incremental WACC), in order to encourage the realisation of investments identified as strategic by the Government.

It has been stressed on earlier occasions, including in the dialogue with the National civil aviation authority (ENAC), that the investments entitled to the incremental benefit (a measure of residual, temporary and exceptional nature) meet the conditions set out in the Authority's models: additionality to the investments due by the managing bodies to ensure the correct management of the airport and compliance with legislative and regulatory obligations, as well as existence of high-risk factors, particularly if dependent on the innovative nature of processes and services concerned by the investments.

Regarding the application of the Authority's regulation to airports under so-called programme contracts "in derogation" (Rome, Milan and Venice, as referred to in Article 17 (34-bis) of Legislative Decree no 78/2009), it would be important, also on account of the clarifications requested by the European Commission in the framework of the EU Pilot case (2023) 10421 MOVE, that ENAC and the managing bodies of the a.m. airports conclude as soon as possible the covenants necessary to renew the respective contracts; the latter, in fact, constitute the only means provided for under national legislation to ensure the enforcement, by ART, of all the tasks entrusted to it by supranational legislation, in its role as the national competent authority in charge of the surveillance and economic regulation of airports. I welcome the acceleration of the process to conclude the covenant concerning the airport of Rome, that is ongoing.

Beside these activities, the Authority continued to verify the compliance of the charging proposals submitted to airport users by the airport managing bodies with the existing regulatory measures, and assessed the requests for extending to 2023 the application of the existing airport charges.

Periodic review and annual monitoring of airport charges

Finally, on a number of occasions, in the context of the activities related to air incentives, the Authority requested airport managing bodies to substantiate a positive outcome of the “Market Economy Operator (MEO) test”, demonstrating compliance of the private economic operator with the principles of the market economy.

Having regard to the motorway sector, in the period under consideration the toll charging system for the Piacenza-Brescia section of the A21 motorway was approved, and exchanges took place with the Ministry of Infrastructure and transport (MIT) and the concessionaire, Consorzio per le Autostrade Siciliane (CAS), in preparation for the definition of the toll charging system of the ANAS-CAS concession agreement. Lastly, the Authority carried on its advisory activities concerning the revision and periodic update of the Financial Economic Plans (FEPs) of concessions already regulated under ART’s charging system and for the annual adjustments of toll charging levels.

Motorway infrastructure

It is worth emphasizing that, in the past year, significant rulings by administrative courts have had an impact on the regulation of the motorway toll charging system. The Council of State has, once again, stated the applicability of ART’s charging system to existing concessions and ruled that the latter contributes to ensuring greater efficiency in the management of motorways for the benefit of users.

Consolidation of ART’s charging system and its benefits

These rulings, contained in judgments that can no longer be appealed, validate the innovative scope of ART's regulation in an area which is characterised by concessions awarded for a duration of several decades.

The actual effects of regulation in this area are tangible when comparing the value of return on invested capital based on the new charging method with that resulting from the application of the previous system; the comparison clearly shows that this remuneration has been finally brought back to market values.

In this area, too, the timing of transposition of ART's regulation remains problematic; to date, the relevant administrative proceedings have been concluded only for 4 (Asti-Cuneo, SATAP A4 Turin–Milan, ASPI and Tangenziale Esterna S.p.A.) of the 23 concessions regulated as per the Authority's charging system.

*The extensions for
submission of motorway
EFPs*

To date, due to a sequence of legislative measures, the reform introduced by Decree-Law no 109 of 28 September 2018, so-called "Genoa Decree", which has extended the powers of the Authority initially provided for only "new" concessions, is not yet fully implemented. The full application of ART's charging system depends on the update of the EFPs concerning those concessions, the duration of which has been last extended to December 31, 2023 under Article 10 (4) of Decree-Law no 198 of 29 December 2022 (so-called "Milleproroghe" decree).

This year, too, I must emphasise the need to reflect on the role of the Advisory unit for implementation of the guidelines for the regulation of public utility services (NARS), that supports the inter-

ministerial Committee for economic planning and sustainable development (CIPESS); this technical body often exceeds the areas under its remit, in particular by assessing tariffs and the regulation of utilities, thereby overlapping with the functions of ART, which is the sector-specific authority.

Legislative action would be desirable to address the above issues, possibly in the context of the next annual competition law that, in order to achieve the objectives of the NRRP, provides for the adoption of *ad hoc* measures for the “transport/motorway” sector.

Still in the motorway sector, the Authority carried on its activities in support of the measures adopted by the Government, with regard to the quantification of the economic effects on the existing concessions, which are directly attributable to the duration of the COVID-19 state of emergency. More specifically, in January 2023, the estimated quantification for the largest Italian concession holder was made available to the MIT.

Quantification of the economic effects of the COVID-19 emergency

Finally, let me recall the conclusion of the important proceeding concerning the definition of model tender notices to be complied with by motorway concessionaires for the award of sub-concessions for fuel distribution, catering and electric charging services located on the national motorway network.

Measures for services provided by sub-concessionaires

An unprecedented number of stakeholders participated in the proceeding, that was initiated last year; the number of contributions made it necessary to undertake two different consultations and involved other independent authorities (the Competition Authority - AGCM, the Anti-corruption Authority - ANAC and the Authority for

Energy, Networks and Environment - ARERA) as well as the Ministries concerned (the MIT, the Ministry of Enterprises and made in Italy – MIMIT, and the Ministry of Environment and energy security - MASE).

As a result of in-depth analysis, by Decision no 130/2022 issued in August 2022, the Authority adopted measures concerning the definition of model tender notices for the award of electric vehicle charging services, in line with the objectives of the NRRP and the European *“new green deal”*, with a view to the progressive decarbonisation in the field of transport.

The proceeding was later complemented, by Decision no 1/2023, with the adoption of regulatory measures for the award of fuel and lubricant, compressed natural gas (CNG), liquid natural gas (LNG) distribution services and commercial and catering services.

In addition to encouraging the broadest and most balanced tender participation, the latter decision introduces measures that allow maximum market opening and aim at reducing prices for users while pursuing higher quality of services. In this perspective, in the context of the tender notices to be complied with by motorway concessionaires, the variety, quality and price limitation of consumer goods and services have been introduced among the criteria for assessing the technical offer by motorway concessionaires, so as to ensure maximum transparency of the whole sector.

The redundancy of service areas on the motorway network managed by motorway concessionaires and ANAS renders the update of the restructuring plan of these areas, adopted by a ministerial decree dating back to August 7, 2015, undeferrable, in order to assess

that a number of them has been converted and made available to build infrastructure for other services useful for motorway users and namely for freight transport.

Regarding access to the national railway infrastructure, and to the interconnected railway networks, ART's activities in the period under review focused on the revision of Decision no 96/2015 laying down "Criteria for the determination of charges for access and use of the railway infrastructure".

National railway infrastructure

The revision of Decision no 96/2015

At the end of the first regulatory period of application of the 2015 decision (2016-2021) and in the light of the findings arising from the RFE launched at the beginning of 2022, the Authority decided to revise these criteria and mark a real "change of pace" to the approach taken thus far in the regulation of this key transport area.

While liberalisation and effective competition in the high-speed services segment constitute a *fait accompli* and a distinctive feature at EU level, further action is needed to ensure better performance standards in the management of the network in terms of punctuality and speed while respecting the paths allocated to railway undertakings.

The criteria underlying the new regulatory measures adopted in May 2023 by Decision no 95/2023 focus, in particular, on access charges for use of the national infrastructure related to the services of the Minimum Access Package (MAP) and on charges and fees for use of extra-MAP services, providing, *inter alia*, for the extension of their scope to the regional railway networks interconnected to the national infrastructure.

The main novelties include the possibility for the infrastructure manager to apply econometric and cost engineering models in order to enhance the efficiency of rail services, define a methodology based on easily quantifiable and measurable productivity, quality and performance index, and introduce a yearly adjustment system of charges set in advance for each regulatory period, as a result of the actual progress of the investments included in the tariff calculation on the basis of *ex ante* planning.

Finally, in the context of the revision of the criteria for the definition of access charges to the national railway infrastructure, particular attention was paid to the risk of saturation of the network. In order to ensure optimal use of capacity, a specific supplementary charge component applies to time slots with higher density of use. This charge is mandatory for sections with limited or saturated capacity.

In the period under review, the existing regulatory framework also applied to the interconnected regional networks, regarding which specific indications and requirements were included in the assessment of the Network Statements (NS) that addressed some major issues highlighted in 2022 or arising from the consultation on the NS 2024.

*Interconnected
regional networks*

In addition, the Authority continued its regular monitoring and supervision of the application of the regulation on access to service facilities and rail-related services.

*Supervision and
monitoring of rail-
related services*

This activity has led, in some cases, to the imposition of sanctions and, in others, to the acceptance of commitments, both for non-compliance with the requirements concerning the 2023 NSs, and with

regard to stations and related areas for passenger reception and assistance services.

Moreover, in order to remove potential obstacles to the use of the national railway infrastructure by applicants for capacity, a sanctioning proceeding has been initiated against the national railway infrastructure manager, for non-compliance with the threshold of capacity that may be allocated through framework agreements (11 being the FAs concerned), as laid down in the Authority's regulation.

Regarding ports, Decision no 153/2022 provided for the RFE of the initial regulatory measures adopted in 2018. As a result, by Decision no 170/2022, the Authority initiated a proceeding for the review of the initial measures launching, at the same time, a call for input on the issue of equitable and non-discriminatory access to port infrastructure.

Port infrastructure

Significantly, the Authority has been recently charged with the definition of the model economic and financial plans of port concessionaires, which, *inter alia*, set the duration of the concessions, that must be appropriate, and identify sector-specific benchmarks. The role of the Authority in this area is provided for in the Guidelines adopted by Decree of the Minister of Infrastructure and Transport no 110 of 21 April 2023, "*on procedures for implementation of the Regulation governing the granting of concessions of areas and docks, approved by Decree no 202 of 28 December 2022 of the Minister of Infrastructure and Transport in agreement with the Ministry of Economy and Finance*". The implementation of these Guidelines is necessary for the achievement of Milestone M3C2-2, enabling the grant of the third instalment under the NRRP.

*The new role of ART
in the field of port
concessions*

Notably, the significant additional functions entrusted to the Authority reflect duties and powers already consolidated in the founding law. The involvement of ART will, therefore, facilitate the introduction of transparent and reliable criteria for granting port concessions, while ensuring their more efficient operation and a better balance of the interests of all the parties involved (public and private entities).

Given the independent nature of ART, these functions must be safeguarded, also and above all with a view to the overall reform of the port system, that is on the cards.

I welcome the recent approval by the Government of the draft legislative decree implementing the delegation referred to in Article 2 of the 2021 competition law, on the establishment of an Information System for the identification of public property concessions (SICONBEP), aimed at promoting maximum publicity and transparency of the main data and information on public property concessions through coordination and interoperability with other existing information systems. Therefore, I wish to renew the invitation to the MIT to urge the Port System Authorities (PSA) to enter the data on state-owned concessions into the Information System of the maritime property (SID) that will be incorporated into SICONBEP.

*Publicity and transparency
of data relating to public
property concessions*

I recall the utmost importance of available up-to-date and reliable data, that is an essential prerequisite of economic regulation, which is nowadays increasingly focused on data driven regulation.

Turning to access to bus terminals, in application of Decision no 56/2018, the Authority has pursued its monitoring and verification activities, paying special attention to the needs of persons with disabilities and reduced mobility (PRM) and has undertaken dedicated interaction with territorially competent bodies and the MIT, so as to increase the number of so-called “designated” terminals, i.e. those providing assistance services to the PRM which, until 2022, were only those of Milan/Lampugnano and Crotone. This process has led to noteworthy results and, at present, the list of designated bus terminals also includes those of Roma/Tiburtina and Bologna, Florence/Villa Costanza, Perugia, Udine and Trieste/Airport. Discussions are currently underway for the bus terminals of Naples, Palermo and Teramo.

Access to bus terminals

With reference to freight road transport and logistics, by Decision no 225/2022 the Authority launched a survey aimed at obtaining information on key issues relevant for this field, that is strategic. Based on the outcome of the survey, ART would assess whether to initiate regulatory proceedings.

The survey in the field of road haulage and logistics

I use the conditional tense because, by Article 20 of Legislative Decree no 104 of 10 August 2023 laying down “Urgent measures for user protection concerning economic and financial activities and strategic investments”, the latest decree approved by the Government before the summer break, freight road transport has been excluded from the scope of ART’s competences: an issue further discussed below. I strongly urge the Government and Parliament to re-consider this measure upon parliamentary conversion of the decree, as the Authority undeniably exercises regulatory functions in this sector, including indirectly, in order to guarantee the interests of freight

transport operators. Let me recall, for example, the regulatory measures, which are in the process of being approved, dedicated to road hauliers in the context of the proceeding concerning the minimum rights of users in the motorway sector, which I shall discuss later.

Also, contrary to what is reported in the technical document accompanying the a.m. Decree-Law, the MIT can in no way replace the Authority in the exercise of its economic regulatory functions, nor can the powers of an independent authority be transferred to a governmental body.

Upon completing the overview of activities related to access to infrastructure, let us now turn to the regulation of transport services.

The regulation of services

In this area, the role of the Authority in the implementation of the NRRP, namely of Milestones M1C2-6 and M1C2-8, concerning the enactment of the 2021 annual competition law, which lays down rules on the award of local public transport (LPT) services, is highly relevant.

The activity of ART for implementation of the competition law

In particular, I refer to the provision of Article 9 of the above annual law which, concerning the identification of a system for promoting the award of LPT service contracts through public tendering procedures, requires the transmission, by the regions with an “ordinary” statute to the LPT Monitoring Center, of a “certificate” concerning the publication of pre-information notices or tender notices and the award of LPT services. This certificate must be accompanied by a statement of “conformity” with the Authority’s decisions, which is subject to verification and control, including in conjunction with the MIT and the MEF.

To implement the new legislative provision and regulate the control activities under its remit, the Authority adopted an *ad hoc* regulation, by Decision no 243/2022.

However, the new provision is of limited scope insofar as the conformity check (and a possible deduction from the relevant quota of the National Transport Fund distributed to the Regions) is required only for the award of public service contracts carried out as a result of public tendering procedures, while direct and in-house award procedures remain exempted therefrom, at the risk of influencing the choice of the competent authority in favour of the latter. Therefore, this scenario disregards the purpose of the annual competition law, as well as the specific objective of Article 9 “aimed at promoting the award of local and regional public transport services through public tendering procedures”.

Still in the context of the a.m. 2021 annual competition law, the Authority implemented the delegated legislation concerning local public services of economic relevance (Legislative Decree no 201 of 23 December 2022), which also affects the scope of LPT. The changes introduced under the decree include the obligation placed on the awarding local authority to provide ART, in case of award without public tendering procedure, with a statement of reasons of the grounds for not putting the contract out to tender.

Re-organisation of local public services

I wish to emphasize the importance of the coordinating role of the Authority that, together with the competent bodies (Conference of the Regions and Autonomous Provinces and National Association of Italian Municipalities - ANCI), has promoted round tables in order to

foster a uniform application of ART's regulation, in line with the legislation in force and the innovations introduced by the Decree.

The 2021 annual competition law specifically places upon the Authority the task to identify *“for local public network services [...], for the areas under its remit, reference costs of services, model economic and financial plan, indicators and minimum levels of service quality”*. On this basis, building on regulation already adopted, ART initiated, at the beginning of 2023, two proceedings aimed at determining *“the minimum quality standards for local road haulage services subject to public service obligations...”* and *“the reference costs of local public road transport services...”*, as later approved by Decisions no 22/2023 and no 23/2023, respectively. In the context of these proceedings, a dedicated call for input was launched by Decision no 97/2023, with a focus, in addition to the sector-specific quality standards (e.g., commercial accessibility, punctuality, comfort, safety, user information and transparency, accessibility for PRM), also on multimodal integration and environmental sustainability.

In the period of reference the Authority also pursued its monitoring and surveillance over the enactment of Decision no 48/2017 concerning the scope of public service and the most efficient financing arrangements of services subject to public service obligations (PSO). Based on the data collected, it will be possible, in the short term, to remodulate the supply of services in accordance with the flexibility clauses set out in existing Public Service Contracts (PSC), for the purpose of making such supply increasingly responsive to the changing needs of demand.

*Monitoring efficiency
in the road LPT sector*

Similarly, the Authority continued the monitoring of the application of the regulation of maritime transport services, in particular of Decision no 22/2019 concerning awarding procedures of maritime passenger transport services to, from and between islands, both those of national interest and those of regional and local interest.

Maritime transport services and Regulatory Fitness Evaluation on determination of reasonable profit

In particular, the activity of the Authority has focused on the issues arising from the application of the methodology employed to determine the reasonable profit to be recognised in favour of the undertakings which have been awarded maritime cabotage services, as well as road and rail services, subject to PSO, that required a RFE, initiated by Decision no 157/2022. Based on the findings of the above assessment, by Decision no 244/2022, an *ad hoc* regulatory proceeding was initiated, which is still in progress, in order to extend the application of the above methodology to specific cases identified in the course of the monitoring activity.

Concerning taxi services and the application of the relevant guidelines adopted by Decision no 46/2022, the Authority provided opinions to nine municipalities (Parma, Sanremo, Ivrea, Siena, Forlì, Sulmona, Pisa, Turin, Procida) concerning tariff adjustments, increase of the number of licenses and adoption of new municipal regulation of the service. At present, ART is involved in the adjustment of tariffs in the airport catchment area of Lombardy, as well as in the definition of the new regulation on non-scheduled public road transport services in Rome, aimed at modifying the tariff system.

Adaptation of taxi services to ART's guidelines

On account of the inadequate supply of taxi services in various urban centres, the “taxi guidelines” adopted by the Authority provide the competent bodies with an effective tool to prevent and contain

issues related to service quality, tariff flexibility, social inclusiveness and uniformity of procedures for issuing new authorisations. I believe these guidelines also provide an important reference to inspire and support government initiatives, not only of an extraordinary nature.

I have highlighted on many occasions that the extension of safeguards to protect the rights of passengers and users constitutes a strategic objective of the Board in office.

Passenger and user rights

In this context, the Authority is vested with the role of National Enforcement Body (NEB) and is in charge of the implementation of EU regulations on passenger rights in rail, bus, sea and inland waterway transport. Under the founding law, however, the legislator also entrusted it with *ex ante* regulatory functions in this area, consisting in the definition of content of the minimum rights that may be claimed by users from infrastructure managers and operators of transport services: a mandate that is especially significant.

With regard to the latter function, having concluded the relevant survey carried out last year, ART initiated, by Decision no 16/2023, a major regulatory procedure, concerning the *“definition of minimum rights, including compensation, that may be claimed by users from motorway concessionaires and operators of services provided in the service facilities of the motorway network”*. With the proposed regulatory measures, the Authority focused on the availability and easiness of access to information, electric charging and refuelling stations, the management of electronic toll services and complaint-handling systems, as well as on the main issues affecting the expected quality of motorway services, such as the availability and user-friendliness of service, parking and rest areas, with particular attention

Definition of minimum rights in the motorway sector

to the needs of users, persons with reduced mobility and freight road transport operators.

The measures also focused on traffic slowdowns and restrictions on the use of motorway infrastructure: disruptions in relation to which assistance must be guaranteed in favour of the users, in terms of both adequate and regular information and material assistance. In addition, where these disruptions are attributable to construction work which may be programmed by the concessionaire, the measures also concern the right to reimbursement of the toll paid by users of the motorway sections concerned, and the definition of relevant criteria and procedures. The regulation also applies to the operators of service areas along the motorway network.

The novelty and complexity of the issues related to the application of this type of protection required a broad involvement of all stakeholders and, in particular, of the regulated entities, including through the launch of *ad hoc* technical discussions on issues of major relevance and sensitivity.

As a result, at the end of July 2023, a consultation was launched, by Decision no 130/2023, on the regulatory act concerning measures on motorway users' rights: the first of its kind and in this sector at the EU level, indeed.

Turning to the application of the EU regulations on passenger rights, the Authority carried on its supervisory activity; the latter was not confined to adopting afflictive decisions, which are often ineffective also due to the negligible level of sanctions determined under the law, as has been repeatedly reported, but also involved

*Application of EU
passenger rights
Regulations*

promotion of initiatives of voluntary compliance by regulated companies aimed at enabling effective right protection.

The recent entry into force of the new Regulation (EU) No 782/2021 of the European Parliament and of the Council of 29 April 2021 on rail passengers' rights and obligations provided an opportunity for an overall review of the subject, whereby, in the proceeding for the conversion of Decree-Law No 69 of 2023, domestic legislation has been amended. In this framework, the Authority's call for strengthening its sanctioning powers and, ultimately, reinforcing the effectiveness of the protection of passenger rights was fully responded to. I, therefore, wish to thank the Parliament, while hoping that the same approach will be taken when the revision will concern the areas of sea and road transport.

*Regulation (EU) No
782/2021*

The Authority brought further innovation to consumer protection, by enacting the powers conferred to it by the 2021 competition law and introducing, by Decision no 21/2023, measures for the initial implementation of the procedure for out-of-court settlement of disputes (Alternative Dispute Resolution - ADR). These take into account the input and proposals of the stakeholders participating in the consultation launched in the context of the procedure.

*Alternative Dispute
Resolution – ADR–*

A memorandum of understanding, concluded with the Communications Regulatory Authority (AGCOM), that I would like to thank, regulates the procedures whereby other parties can become ADR entities in this sector. Also a dedicated "ART Dispute Settlement Service", has been set up, which relies on Conciliaweb, an *ad hoc* IT

platform for submitting settlement requests and carry out related procedures, operating since April 2023.

I wish to recall that the Authority's competence for the out-of-court settlement of disputes between users and economic entities operating transport networks, infrastructure and services extends to air passengers, for which the role of NEB under EU law is entrusted to the civil aviation authority, ENAC.

Two months on since the launch of the service, over five thousand applications have been received, mostly concerning air transport (97.3 %).

These figures indicate that the activities necessary for the day-to-day handling of these requests require considerable organisational efforts, with a significant increase in the resources to be devoted to dispute settlement procedures. It is therefore necessary to conclude new agreements with other dispute settlement bodies and other competent entities. Better coordination with ENAC is also desirable for more effective handling of the complaints related to air transport.

To conclude the overview of the activities carried out by ART in the period under consideration, I would like to refer to external institutional communication and its strengthening which is also among the objectives of the Board during its term. This activity is intended to allow users of mobility services to be better aware of their rights under the law and of the tools available for their protection. Indeed, in the period under review, action aiming at ensuring greater visibility of the Authority on media, e.g., social media, was further improved.

*Institutional
communication*

As part of the initiatives undertaken for the tenth anniversary since the establishment of the Authority, a corporate video has been produced to recount the first decade of activity, while looking forward to future goals. The clip will be presented during a celebratory event planned for the fall.

Concerning the Authority's operation, I am pleased to report that in 2023 the contribution to ART's operation was set at a rate of 0.5 per thousand of the turnover of the regulated entities, that is half the maximum amount provided for by law and, above all, for the first time lower than in previous years, in line with the Authority's purpose to burden the regulated entities to the least possible extent.

Organisation and operation

Financing

I do regret to report that companies providing freight road transport were, first, exempted from the payment of the contribution for 2023 (under Article 35 of Decree-Law no 48/2023) and later excluded from the Authority's competence last August and, therefore, ultimately exempted for good from the contribution obligation. This was despite the fact that the contribution had earlier been approved by Decree of the President of the Council of Ministers of 5 January 2023.

In this regard, I wish to point out that the Authority had already provided for an exemption threshold, so that only around 2% of the undertakings operating in the sector were required to pay the contribution.

In addition, exemption from the payment obligation for a single category of operators will make it impossible for the Authority to consider a progressive reduction of the rate of contribution for all the

parties concerned, which, as evidenced by the decision taken this year, has been and still is a goal of the Board. For these reasons, I renew my invitation to the Government and Parliament to carefully reflect on whether to maintain Article 20 at the time of converting Decree-Law no 104 of 10 August 2023 into law.

Turning to the staff of the Authority, I take this opportunity to heartily thank the Government and Parliament for including in the 2023 Budget Law, the first one of this Government, a long-awaited staff increase of 30 units, that will allow ART to better exercise its responsibilities in the broad field in which it operates.

Staff

Another significant result achieved in June 2023 is the new organisation of the Authority, with implementation of an overall review of the structure (Decision no 109/2023) intended to improve ART's organisation and operation based on the needs that have arisen in recent years and with a view to future necessities.

Change of internal organisation

The enhancement of the professional resources of the Authority, as they have consolidated over a decade, continues to be one of the Board's priorities, as evidenced by the approval of the new training plan under Decision no 238/2022. In line with this priority, work continued to implement the agreements concluded with trade unions aimed at improving the performance evaluation system and adjusting the remuneration of the Authority's staff.

Training and implementation of trade union agreements

Before moving on to the concluding remarks, I wish to pause to express my due heartfelt thanks.

Acknowledgments

First of all, I wish to address the women and men working in the Authority: their continuous professional and human contribution enables us to achieve increasingly challenging results, while preserving the autonomy and independence of ART, thanks to their commendable ethical conduct.

To all of them go my personal and the Board's appreciation and thanks.

I would like to expressly thank the Parliament, the Presidency of the Council of Ministers, the Council of State, the Regional Administrative Courts of Piedmont and Lazio, the State Attorney, and the other independent authorities.

I also wish to thank the Ministries and national, central, and local authorities with which the Authority collaborates on a daily basis.

In particular, I thank the Ministry of Infrastructure and Transport, to which I turn looking forward to closer interaction aimed at jointly protecting the public interest.

Special thanks go to the City of Turin, the *Politecnico di Torino* and the Customs and Monopolies Agency, the Piedmont Region, the *Guardia di Finanza*, the *Arma dei Carabinieri*, the General Command of the Corps of the Harbour Masters – Coast Guard and all the other institutions with which cooperation protocols are in place.

Let me thank, for their continued and invaluable support, the Secretary-General, the Legal Advisor, the Guarantor of Ethics, the

Audit Committee, the Evaluation and Control Committee, the Advisory Board, my spokesperson, the Secretary of the Board, the experts of the Authority and all our assistants.

Finally, I would like to extend special thanks to my fellow members of the Board and to my Head of Cabinet.

As I approach the conclusion, I cannot end the presentation of the 10th Annual Report to the Parliament without a reflection on the role played by the Authority in the first ten years since its establishment and on the developments which are necessary to capture both ongoing and future market trends, these being the topics of the first chapter of the Annual Report.

Conclusions

The past years have been characterised by the initial challenging start-up phase, followed by the implementation of the first important economic regulation of the sector, thanks to the commitment by the members of the previous Board, President Andrea Camanzi and Commissioners Barbara Marinali and Mario Valducci, to whom I address warm greetings and my sincere appreciation for the work they did.

The first ten years of activity

The second phase of the decade, on the other hand, in which the present Board took office, in October 2020, was characterised by epoch-making events, as I mentioned in the introduction, which produced a revolution in the way institutions and society conceive the complex areas of mobility services and transport infrastructure.

Therefore, the extraordinary effort made by the current Board to follow up, also in the light of the new emergency context, on the mandate entrusted by the legislator and pursue the policy objectives after the Board took office, may not be overlooked.

The changes that have affected the whole transport sector in recent years and which are still ongoing, urge for reflection on the opportunities that may be seized by the regulator to accompany the process of economic development and technological innovation in the transport area through independent, sustainable, and user-friendly economic regulation.

Indeed, the Authority has already taken up the important challenges posed by the European Union in order to target the objectives of ecological transition, market opening and greater transparency in access to transport infrastructure and services; the main results achieved in this first regulatory cycle clearly show the central role entrusted to it in the process of implementing EU transport policy.

ART's central role in EU transport policy

The experience gained in the performance of its functions, together with its nature as autonomous and independent body, allow ART to pursue new objectives, while continuing to protect users and uphold the public interest.

In this regard, given the huge stakes involved in the transport sector, the role exercised by the Authority shall also be understood, as I often remind my collaborators, as a true “legality guarantor”, in the different contexts in which it operates; consider, for example, the role of the Authority in the context of tendering procedures, the award of

The role of the Authority for future challenges

concessions of state-owned areas, of local and regional public transport services, and, more generally, in the daily exercise of its institutional duties.

Looking ahead to the near future, the Authority is ready to contribute to the implementation of the substantial investments planned in transport infrastructure, and not only of those involved in the action areas under the NRRP. Acting as a third party and relying on the technical expertise gained over the years, the Authority may take on a prominent role in monitoring the economic sustainability of these investments, which is undoubtedly one of the most complex factors confronting policymakers.