The objective of the research is to analyze both the privatization process in Argentina and the United Kingdom and the deregulation process of electric utilities in the United States in order to explore a common framework for determining regulation and control requirements. The research will focus on institutional structure, service standards, legal agreements and staff capacity and quantity required to perform a successful control and regulation.

Introduction

The opening of Tren Urbano will radically change mobility within San Juan. Because the success of this process is not self-warranted, it is important that the trains, buses and publicos feeder services perform in a smooth integrated way to the users.

- Contractual obligations and performance measurements are already established for the Tren Urbano.
- Previous MIT/UPR researches have explored the desired layout of the regulatory agency within PRHTA.
- Nevertheless, the skills and quantity of the staff required to perform the control and regulation of the concession require further analysis.

Since no contract is self-enforcing, a major challenge to maximize the success of the whole process is the regulation and control setup of both the Tren Urbano and its feeder services.

Objective

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Research Questions

Institutional structure

- What are the weaknesses and strengths of the privatization process in Argentina and the United Kingdom and the electric utility structure in the United States?
- How are the different stakeholders linked to one another and what are their responsibilities?
- What mechanisms of control are used? What legal developments have taken place?

Service standards

- What service standards are needed to ensure customers are treated in a uniform way?
- What has been done to ensure fair & transparent (service) standards while including the desire to introduce competition?
- What accommodates for equity considerations, such as subsidy and/or lifelines?

Legal agreements and staff capacity

- What performance measurements have been included in the contract?
- What mechanisms of incentive & punishment exist?
- What requirements are needed for the staff quantities, capabilities and responsibilities for achieving the expected success?

Case Studies

One goal of the research is to try to identify relevant evidence from these cases to explore a general framework for forecasting regulation and control staff requirements associated with alternative privatization approaches.

The experience and knowledge in the following case studies may provide useful information of what has worked, and what has failed in determining regulation and control requirements:

- United Kingdom has recent experience with an Open Access framework in the rail industry.
- Argentina has dealt in the past with a vertically integrated privatization for their commuter rail services.
- The electric utilities in the United States have a long history of dealing with regulation and deregulation, both at national and at state level.