

Regulation (EC) No 1370/2007 of the European Parliament and of the Council
of 23 October 2007 on public passenger transport services by rail and by
road and repealing Council Regulations (EEC) Nos 1191/69 and 1107/70

Article 3

Public service contracts and general rules

1 Where a competent authority decides to grant the operator of its choice an exclusive right and/or compensation, of whatever nature, in return for the discharge of public service obligations, it shall do so within the framework of a public service contract.

2 By way of derogation from paragraph 1, public service obligations which aim at establishing maximum tariffs for all passengers or for certain categories of passenger may also be the subject of general rules. In accordance with the principles set out in Articles 4 and 6 and in the Annex, the competent authority shall compensate the public service operators for the net financial effect, positive or negative, on costs incurred and revenues generated in complying with the tariff obligations established through general rules in a way that prevents overcompensation. This shall be so notwithstanding the right of competent authorities to integrate public service obligations establishing maximum tariffs in public service contracts.

3 Without prejudice to the provisions of Articles 73, 86, 87 and 88 of the Treaty, Member States may exclude from the scope of this Regulation general rules on financial compensation for public service obligations which establish maximum tariffs for pupils, students, apprentices and persons with reduced mobility. These general rules shall be notified in accordance with Article 88 of the Treaty. Any such notification shall contain complete information on the measure and, in particular, details on the calculation method.

Changes to legislation:

There are outstanding changes not yet made to Regulation (EC) No 1370/2007 of the European Parliament and of the Council. Any changes that have already been made to the legislation appear in the content and are referenced with annotations.

[View outstanding changes](#)

Changes and effects yet to be applied to :

- Art. 3(3) omitted by [S.R. 2020/252 reg. 6](#) (This amendment not applied to legislation.gov.uk. S.R. 2020/252 revoked immediately before IP completion day by S.R. 2020/338, regs. 1(1), 2)
- Art. 3(3) omitted by [S.R. 2021/337 reg. 2\(5\)](#)
- Art. 3(3) omitted by [S.I. 2020/504 reg. 6](#)

Changes and effects yet to be applied to the whole legislation item and associated provisions

- Annex para. 6 words omitted by [S.R. 2020/252 reg. 15](#) (This amendment not applied to legislation.gov.uk. S.R. 2020/252 revoked immediately before IP completion day by S.R. 2020/338, regs. 1(1), 2)
- Signature words omitted by [S.I. 2020/504 reg. 14](#)
- Annex para. 6 words omitted by [S.I. 2020/504 reg. 15](#)
- Art. 2(b) words omitted by [S.R. 2020/252 reg. 4\(a\)](#) (This amendment not applied to legislation.gov.uk. S.R. 2020/252 revoked immediately before IP completion day by S.R. 2020/338, regs. 1(1), 2)
- Art. 2(b) words omitted by [S.R. 2021/337 reg. 2\(3\)\(a\)](#)
- Art. 2(b) words omitted by [S.I. 2020/504 reg. 4\(a\)](#)
- Art. 2(i) words omitted by [S.R. 2020/252 reg. 4\(b\)](#) (This amendment not applied to legislation.gov.uk. S.R. 2020/252 revoked immediately before IP completion day by S.R. 2020/338, regs. 1(1), 2)
- Art. 2(i) words omitted by [S.R. 2021/337 reg. 2\(3\)\(b\)](#)
- Art. 2(i) words omitted by [S.I. 2020/504 reg. 4\(b\)](#)
- Art. 2a(1)(3) words omitted by [S.R. 2021/337 reg. 2\(4\)\(b\)](#)
- Art. 2a(1)(4) words omitted by [S.R. 2021/337 reg. 2\(4\)\(c\)](#)
- Art. 5(2)(a) words omitted by [S.R. 2020/252 reg. 8\(b\)\(ii\)](#) (This amendment not applied to legislation.gov.uk. S.R. 2020/252 revoked immediately before IP completion day by S.R. 2020/338, regs. 1(1), 2)
- Art. 5(2)(a) words omitted by [S.R. 2021/337 reg. 2\(7\)\(b\)\(ii\)](#)
- Art. 5(2)(a) words omitted by [S.I. 2020/504 reg. 8\(b\)\(ii\)](#)
- Art. 5(4)Art. 5(1)(a) sum substituted by [S.R. 2021/337 reg. 2\(7\)\(e\)\(i\)](#)
- Art. 5(4)(a) sum substituted by [S.I. 2020/504 reg. 8\(e\)\(i\)](#)
- Art. 12(6) words omitted by [S.R. 2021/337 reg. 2\(14\)](#)