

EPF's priorities for future EU action Ghent, August 2019

Passengers want a public transport system that is

- affordable,
- reliable,
- sustainable and
- coordinated,

with sufficient capacity to get people comfortably to where they want to go at the times they wish to travel, using whichever combination of modes is most efficient overall, in social and environmental as well as economic terms.

The European Union can help delivering this vision.

With a view to the next political mandate of the European Parliament and of the European Commission, the European Passengers' Federation is recommending a number of specific measures.

The European Passengers' Federation has identified its priorities for Union action that will help unleash the potential of the public transport sector – particularly air, bus and coach and rail:

Goal: A seamless European passenger transport system.

Passenger transport providers can learn from pioneering work on synchro-mobility in the logistics sector. This involves integrating the different transport modes and their underpinning IT systems. This is as relevant to passenger mobility as it is to freight logistics. Its purpose is to deliver a flexible, synchronised and efficient intermodal network. Switches between modes can be achieved almost seamlessly, facilitated by an integrated data framework and collaborative data analytics. It is a system in which a passenger is enabled to use each mode to do that for which it is the most efficient in achieving an affordable, reliable, sustainable end-to-end journey.

Enablers:

- **Interfaces:** Common standards and standardised interfaces are vital to synchro-mobility. They facilitate interoperability, minimising operational delays between networks, operators, systems and modes, and creating economies of scale. The European Union has a key role to play in specifying these standards. The European Commission's work with the automotive sector on connected and automated mobility has familiarised it with its principal technical and regulatory implications. Consideration should now be given to providing an enabling regulatory framework for synchro-mobility across all modes.

Goal: Passengers should have access to unbiased, dynamic journey information, enabling informed choices, both when planning and making their journeys.

Informed consumers are essential to any truly competitive market. Passengers also need timely and practical information should things go wrong during their journey. (Lack of useful information at times of disruption is the major source of passenger dissatisfaction.)

Enablers:

- **Multimodal transport information management and payment system:** There is a need to integrate historic, static and dynamic data (to enable real-time services) from both users and transport providers, and for provision and access to be regulated to ensure open data and the use of specified standard interfaces to enable interoperability.
- **Transparency & non-discrimination:** There may be a need for regulation of those who accrete and then effectively control the supply of information to consumers or to third-party intermediaries such as ticketing retailers. Information provision should be transparent, non-discriminatory, accurate, up-to-date and non-exclusive¹. Regulation may also be needed to address privacy principles as well as security concerns arising from individuals' data use and provision.
- **Revision of the Air Services Regulation:** The Commission is currently considering a revision of (EC) 1008/2008. In theory, this enables consumers to compare different providers' prices and ensures non-discriminatory access to air fares. In practice, this is increasingly difficult for passengers. The recent consolidation of air carriers and the evolution of channel distribution arrangements is challenging the transparency and neutrality that the *acquis*² was designed to secure. Consumers are increasingly the losers in this situation. A search for a specific city-to-city travel through an online travel agency (e.g. Expedia), a meta-search engine (e.g. Google Flights) or an airline's own website may yield very different results. Not all fares are available on all distribution channels and there is no like-for-like comparison (sometimes ancillary services such as luggage or seat reservation are included in the price, sometimes not, sometimes the complete price is displayed in the beginning of the booking process, with other airline carriers the exact price is only shown at the end of the booking process). As a result, passengers need to consult multiple sources to get a good overview, which is complex and time-consuming – the exact opposite of what we would like: simplicity in booking. EPF has prepared detailed proposals for the modification of Regulation 1008/2008, also including provision of comparative information on land-based alternatives to air-travel. The purpose is to safeguard, and indeed enhance, price competition and price transparency to the benefit of European passengers, and the vitality and sustainability of the public transport sector more widely.
- **Consistent and effective regulatory enforcement:** There appear to be considerable variances between the competence and capacity of National Enforcement Bodies. The European Union should consider if further legislative measures are necessary to ensure greater coherence and effective and consistent enforcement. The Commission should also ensure that there is provision for Alternative Dispute Resolution, capable of dealing with disputes about multimodal journeys and that suitable arrangements are in place for the oversight of passengers' rights in the case of journeys involving more than one mode.

Goal: Passenger protection.

There is a continuing need to ensure that passengers, as the weaker party to the service contract, are treated fairly when things go wrong with their journey and are granted protection.

Enablers:

- **A framework for passenger protection** was pioneered in successive legislationⁱⁱⁱ and ECJ rulings that, in some modes, is now being emulated from China to the United States. The application of the *acquis* exposed a number of areas requiring amendment to maintain an appropriate balance between the parties and the modes. Unfortunately, modifications endorsed by the Parliament have encountered well-funded opposition from industry lobbyists and consequent resistance from certain members of the Council. In the case of rail, in particular, there is a determined attempt to overturn Parliament's attempts to rectify legislative inadequacies. These include a provision to exempt local, regional and international services, a restrictive definition of through ticketing, limitations on measures to facilitate the transport of bicycles, weaker provisions for compensation and assistance in the event of delay or cancellation, reduced support for PRMs and many other attempts to erode the quality of passenger protection sought by the majority on MEPs. We expect the new Parliament to be no less committed to the principles of consumer protection endorsed by its predecessor and, in addition, to insist on a comprehensive framework of passenger protection based on principles applicable across all modes and capable of meeting the needs of passengers using more than one mode of public transport for their journey.

Goal: Administrative and political boundaries should not be a barrier to the efficiency of Europe's passenger transport system.

The European transport network should reflect the needs of potential passengers and of its ability to act as an instrument of economic development, social cohesion and the promotion of greater sustainability across frontiers.

Enablers:

- **Actions to promote cross-frontier links:** Active support for cross-border transport initiatives, such as that pioneered by Aachener Verkehrsverbund GmbH (AVV). This requires engagement of local stakeholders, needs to reflect the input of passengers, and may benefit from European seed-corn funding.
- **Consistent regulatory principles:** Prospective operators of new international rail services, in particular, claim that realisation of their aspirations can be inhibited by the lack of a common regulatory approach between neighbouring countries, particularly in relation to incompatible train service planning cycles, track access policies etc.; there is insufficient collaboration between infrastructure managers and between regulators. Some of the rail regulators – but by no means all – meet in the IRG-Rail. This has the general objective of promoting a more competitive internal rail market, but it is not an EU Agency, has limited standing and no formal role in relation to the European corridors and other major EU initiatives affecting the rail sector. A framework for more effective collaboration is needed. In the telecommunications sector the EU has created the Body of European Regulators for Electronic Communications (BEREC) to improve consistency of EU telecoms rules and to contribute to the development of the Single Market. The Agency for the Cooperation of Energy Regulators (ACER) is the analogous EU Agency for the natural gas and electricity market. It fosters cooperation among European energy regulators, ensures market integration and the harmonisation of regulatory frameworks within the framework of the EU's energy policy objective. An opportunity is being missed to ensure consistent

regulatory practice and shape the evolution of the Single European Railway Area and to assist the ERA in developing realistic work programme priorities, reflecting the needs of end-users.

Goal: More-informed decision making.

Understanding costs is important to the successful realisation of synchro-mobility. It is a foundation for the level playing-field upon which fair competition and the optimisation of resources depends.

Enablers:

- **Internalisation of External Costs:** EPF was impressed by the preliminary results of the study conducted in the context of the Commission's Year of Multimodality, 2018, *Sustainable Transport Infrastructure Charging and Internalisation of Transport Externalities*^{iv}. This estimated that the annual cost of transport externalities is about 1€ billion (of which road accounts for 75%, maritime 15%, air 7% and rail 3%). Internalisation of transport externalities must form a pillar of future Commission transport initiatives.
- **Polluter-pays principle:** The surge of popular concern about climate change and more particularly, the growing recognition of the scale and effects of particulate pollution on mortality and public health, means that more sustainable forms of transport such as land-based public transport will gain increased political momentum. This requires that it should have a more prominent place in European Union's priorities and that greater effort should be directed at establishing which policy and investment measures would make it more attractive for passengers.
- **User charging:** As a corollary to its support for a level playing-field to enable fair competition between transport modes, EPF considers that transport users should meet the external cost of their journey and that there should be consistency as to the basis of charging across all modes, including environmental impact costs in the case of maritime and air transport. Any rebate then granted in pursuit of other government policy objectives – for example, to secure social inclusion – should be identified transparently.

Goal: A greater focus on end-users

Public transport provision is inevitably characterised by market failure^v. Adam Smith's 'invisible hand' cannot work efficiently when the marginal cost of an additional customer is effectively zero. (The cost of running a coach, ferry, aeroplane or train is much the same whether it is full or carrying just one passenger.) Policymakers need tools which can help make up for the deficiency of market information or help mimic information normally available in a functioning free market.

Enablers:

- **Passenger satisfaction surveys:** We welcome DG MOVE's increasing use of the Special Eurobarometer surveys of passenger satisfaction. Successive surveys – as with the successive surveys of passenger satisfaction with train services – are beginning to build a useful evidence base with which to inform understanding of transport delivery. Satisfaction surveys, comparable across all modes, could be commissioned usefully on an annual basis and used to inform the assessment of policy delivery.

- **Understanding behaviours:** *Horizon Europe* should make provision for behavioural research with a view to gaining greater understanding of the potential drivers and barriers to modal shift to more sustainable mobility and the use of public transport.
- **End-user engagement:** European acquis acknowledges that passengers are the weaker party to the transport contract. The Commission needs to make greater effort to connect with users' representatives and, where-ever possible, to ensure that end-users' representatives are encouraged to participate in policy development processes, as is currently the case with the Administrative Board of the ERA, the Commission's Rail Security Platform and the Rail Market Monitoring working group, amongst a number of similar engagements. It needs to accept that, as largely voluntary organisations seeking to represent diffuse publics, the costs of representation at European level is a heavy burden, yet without effective representation there is a democratic deficit that needs to be addressed. The European Commission should make financial provision for this.

ⁱ See, for example, Council Regulation 2299/89, replaced by Regulation 80/2009 on a Code of Conduct for Computerised Reservation Systems.

ⁱⁱ See also, *ibid* and, particularly, Recitals 15 & 16 of Regulation (EC) 1008/2008 on common rules for the operation of air services in the Community (Recast).

ⁱⁱⁱ See Regulation (EC) No 261/2004 establishing common rules on compensation and assistance to passengers in the event of denied boarding and of cancellation or long delay of flights, Regulation (EC) No 1371/2007 on rail passengers' rights and obligation, Regulation (EU) No 1177/2010 concerning the rights of passengers when travelling by sea and inland waterway and Regulation (EU) No 181/concerning the rights of passengers in bus and coach transport.

^{iv} <https://ec.europa.eu/transport/sites/transport/files/2018-year-multimodality-external-costs-ce-delft-preliminary-results.pdf>

^v Recital 71 of Directive 2012/34/EU acknowledges that railway infrastructure is a natural monopoly just as the passenger rights' acquis successively acknowledges that passengers are the weaker party to the transport contract and, implicitly, the imperfect nature of the transport market.