



EPF priorities for EU action

April 2024

Passengers want a public transport system that is:

- affordable
- dependable,
- accessible,
- sustainable,
- 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, environmental as well as economic terms.

With a view to the next political mandate of the European Parliament and of the European Commission, EPF has identified its priorities for Union action that will help unleash the potential of the public transport sector.

Goal: A seamless European passenger transport system

The appeal and utility of public transport is greatest when providing access to a network of networks – facilitating end-to-end journey-making.

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. Its purpose is to deliver a flexible, synchronised and efficient inter-modal network. Switches between modes can be achieved almost seamlessly, facilitated by an integrated data framework and collaborative data analytics. Synchro-mobility allows users 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 facilitate interoperability, eliminating 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 and providing an enabling regulatory framework for synchro-mobility across all modes. Standards must be open and interoperable, so as to neutrally support all possible travel combinations that correspond to the destinations and wishes of potential customers.
- **Collaboration:** Networks are most effective when undertakings collaborate to facilitate convenient end-to-end journey solutions. This need not diminish the real benefits that competition can deliver, provided there is appropriate regulatory provision to forestall and rectify any market distortion that may emerge from exploitation by a dominant player. While there is usually already good co-operation in regional transport, this is often lacking for long-distance trips. If no sustainable improvements are achieved voluntarily, regulatory measures should be considered.

- **Dependability:** Reliability is key to the delivery of attractive public transport provision: users need to get the service promised; services need to run as advertised, not just in relation to on-time performance but to the provision of reserved seats, catering, cheap fares, amongst a host of other considerations. Public investment needs to be directed at prioritising reliable service delivery and does regulation.

Goal: Integrated information and ticketing

To make informed choices, passengers need to be aware of the existing travel options and be able to easily plan, book and pay for their (multimodal) trip in a one-stop-shop.

Passengers should have access to unbiased, dynamic journey information, enabling them to compare and combine different transport operators and/or modes as suits their needs. Informed consumers are essential to any truly competitive market. Passengers also need timely and practical information should things go wrong. Lack of useful information at times of disruption is the major source of passenger dissatisfaction. Further, a one-stop-shop approach is needed to make it easier for passengers to book and pay for their journey in one go, even if this involves multiple operators or modes (including first& last mile).

Enablers:

- **Access to data:** 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. The revised Delegated Regulation on Multimodal Travel Information Services will make it mandatory for data holders such as transport service providers, infrastructure managers and transport authorities, to make dynamic, real-time information, as well as some new types of data (e.g. on accessibility), available through National Access Points¹. The legal framework thus exists, now it needs to be implemented properly.
- **Addressing market challenges:** EPF strongly supports EU action to address market challenges currently hampering the development of Multimodal Digital Mobility Services (MDMS). Regulatory intervention is needed to ensure that passengers can benefit from access to the full range of relevant available tickets for resale/distribution, irrespective of vendor (whether in-house or third party). Data sharing and readiness to conclude distribution agreements between operators and (Multimodal) Digital Mobility Services – under FRAND, i.e. fair, reasonable and non-discriminatory, commercial terms – should be the default option, i.e. the norm.
- **Transparency & non-discrimination:** There may need to be 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 comprehensive, transparent, non-discriminatory, accurate, up-to-date, and non-exclusive. The principles underlying the CRS Code of Conduct (Regulation (EC) N° 80/2009) – transparency, fair competition, neutral display, enabling passengers to make an informed choice – are still relevant today and should be applicable to all travel distribution channels, including MDMS. Having a neutral overview of available travel options helps to ensure fair competition and to create a level playing field between operators, on the condition that there is a like-for-like comparison. Increased unbundling of ancillary services has unfortunately led to a decrease in price transparency, notably in the air sector – a topic that is to be addressed in the review of the Air Services Regulation (EC) No 1008/2008).

¹ https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/12912-EU-wide-multimodal-travel-new-specifications-for-information-services_en

Goal: Passenger protection

Passengers, as the weaker party to the service contract, must be treated fairly when things go wrong with their journey and their rights adequately protected.

The willingness of potential passengers to use public transport is compromised by fears that, in the event of disruption, they may not be able to get to their final destination at the earliest available opportunity without paying additional charges. For EPF, the top priorities when a disruption happens are (i) journey continuation guarantee; (ii) practical information, advice and support; (iii) straightforward and appropriate compensation.

Enablers:

- **Multimodal passenger rights:** To make multimodal travel a convenient, reliable and safe choice, EPF looks to the new Commission and Parliament to insist on a comprehensive framework of passenger protection across all modes, reflecting common basic principles that meet the needs of passengers using more than one mode of public transport (or even operator) for their journey. The proposal on multimodal passenger rights currently on the table² is a welcome step in the right direction, but for combined tickets, better protection is needed.
- **Clarify the role of intermediaries:** Third party ticket vendors play a crucial role in the public transport system, acting as intermediaries between passengers and service providers, notably in case of multi-operator and/or multimodal trips. As such, the role of such intermediaries needs to be clarified, and their responsibilities extended in that they should assume co-responsibility for helping passengers to re-route and, failing to do so, reimburse passengers for the costs they incur as a consequence of the disruption (accompanied with a right to B2B redress).
- **Consistent and effective regulatory enforcement:** The European Union should consider legislative measures to ensure greater coherence and effective and consistent enforcement, as there appear to be considerable variances between the competence and capacity of National Enforcement Bodies. For individual passengers, adequate private redress options are needed, of which they must be properly informed. As part of this, operators' participation in Alternative Dispute Resolution (ADR) should be mandatory and ADR decisions binding. Where possible, automatic reimbursement and compensation schemes should be introduced.

Goal: Overcome administrative and political boundaries

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

To facilitate a shift to rail and multimodal mobility, availability of an attractive offer, in terms of travel time & cost, is key. As recognized in the Sustainable and Smart Mobility Strategy, "sustainable alternatives must be made widely available now in a fully integrated and seamless multimodal mobility system"³. The European transport network should reflect the needs of potential passengers and its ability to act as an instrument of economic development, social cohesion, and 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), is to

² https://transport.ec.europa.eu/news-events/news/passenger-mobility-package-2023-11-29_en

³ European Commission. Sustainable and Smart Mobility Strategy—Putting European Transport on Track for the Future COM/2020/789; European Commission: Brussels, Belgium, 2020 (§28)

be welcomed. This requires engagement of local stakeholders, needs to reflect the input of passengers, and may benefit from European seed-corn funding.

- **Making TEN-T accessible to users:** Public transport works best for people when it provides a seamless network of services – the first and last mile of any journey being no less important than the high-speed journey in between. A plan for a high-speed network must therefore be complemented by good local and regional connections. The TEN-T network needs to be designed in a way that maximises interconnectivity with the wider public transport network (at its best, a key element of a network of networks). Hubs are a vital part of this: they need to be designed thoughtfully. Furthermore, an “Europatakt” should be a basis for infrastructure investment, enabling integrated timetables, striving for optimal use of the network capacity and optimal connectivity for passengers.
- **Consistent regulatory principles:** Prospective operators of new international rail services, in particular, claim that their aspirations are inhibited by the lack of a common regulatory approach between neighbouring countries. This is particularly apparent in relation to incompatible train service planning cycles, track access policies etc. An overarching ‘Body of European transport Regulators’ – as exists in the telecommunications (BEREC) and energy (ACER) sectors – could foster cooperation among European transport regulators, ensure market integration and harmonization of regulatory frameworks within the framework of the EU’s transport policy objective. In the rail sector some – but by no means all – of the rail regulators 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 and has limited standing and no formal role in relation to the European corridors and other major EU initiatives affecting the rail sector. An opportunity is being missed to ensure consistent regulatory practice and shape the evolution of the Single European Railway Area and assist the ERA in developing work program priorities that meet the needs of end-users.

Goal: Better informed decision making

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

Policy instruments such as taxation and subsidies have the potential to enhance the appeal of sustainable modes of transportation and facilitate multimodal travel. It is worth exploring market regulations that emphasize the complementary nature of travel services and modes across different territorial levels, with a hierarchy approach based on capacity and economic, social, and environmental efficiency, particularly in urban areas. Additionally, there could be a consideration for harmonizing a reduced VAT level across the European Union for all modes of transport, promoting consistency and fairness.

Enablers:

- **Internalization of External Costs:** A study conducted in the context of the Commission’s Year of Multimodality, 2018, *Sustainable Transport Infrastructure Charging and Internalization of Transport Externalities*, estimated that the annual cost of transport externalities is about 1€ trillion (of which road accounts for over 80%, maritime about 10%, passenger aircraft almost 5% and rail around only 2%.) Internalization of transport externalities must form a pillar of future Commission transport initiatives. Reliable standards for measuring environmental impact of transport need to be developed (as is the goal of the CountEmissions EU initiative),

and all transport operators and planning / booking platforms should apply the same standards to ensure transparency and comparable information.

- **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 each 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 government policy grounds – for example, to secure social inclusion – should be identified transparently.

Goal: A greater focus on end-users

Understanding the needs and aspirations of end-users should be a central point of attention, in order to facilitate a modal shift, while leaving no one behind.

Public transport provision is inevitably characterized by market failure. Adam Smith's 'invisible hand' where the marginal cost of an additional customer is effectively zero. The cost of running a coach, ferry, airplane or train is much the same whether it is full or carrying just one passenger. Policymakers therefore need a set of tools which can help make up for the deficiency of market information.

Enablers:

- **Passenger satisfaction surveys:** EPF welcomes DG MOVE's increasing use of the Special Eurobarometer surveys of passenger satisfaction. Successive surveys – as with rail – are beginning to build a useful evidence base with which to inform understanding of transport delivery. Satisfaction surveys, comparable across all modes, should be commissioned on an annual basis and used to inform the assessment of policy delivery.
- **Recognizing the social role of public transport:** Passengers need an affordable, reliable public transport system that allows them to access work, education, healthcare and other services etc. Not all users are the same, as factors such as age, income, education and mobility restrictions influence people's mobility choices. A greater focus on end-users – including vulnerable to exclusion groups who may be at risk of transport / mobility poverty – is essential, when aiming for a transition towards a more sustainable and smart mobility that is also fair and just.
- **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, wherever 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 organizations seeking to represent diffuse publics, the costs of representation at European level are 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.