

ERA RESPONSE TO EUROPEAN COMMISSION PUBLIC CONSULTATION DOCUMENT

entitled

“DEVELOPMENT OF INTEGRATED TICKETING FOR AIR AND RAIL TRANSPORT”

SUMMARY

The ERA Directorate is supportive of the development of new means of distributing travel products, and of developing new combined travel offerings between air transport and other modes of transport. However, this development should be undertaken on commercial grounds and not under threat of regulatory action.

The Commission has made no justification for its proposed approach that requires industry stakeholders to develop a rail-air product that the Commission deems acceptable, or face the threat of regulatory action.

Neither the Commission's often repeated assertions that it intends to encourage an integrated ticket system, nor the findings of the 2005 Eurobarometer survey, provide adequate justification for this approach.

In fact the Commission, in the consultation paper, acknowledges that a clear and detailed analysis of the potential for integrated ticketing does not yet exist.

The Commission's original intention, as clearly stated in its 2001 White Paper, was “to shift the balance between modes”, in this case from air to rail. This objective is restated in the 2006 Communication on airport capacity as “reducing the need for short-haul flights”. If the initiative described in this consultation paper is aimed at meeting those two objectives, then the ERA Directorate cannot cooperate voluntarily without a clear mandate from ERA members. Furthermore, the ERA Directorate believes that it is inappropriate to imply that air transport itself should provide much of the funding.

Irrespective of the Commission's consultation or objectives, ERA members are free to, and do, engage in commercial discussions with suppliers (eg GDS) and potential partners (eg rail operators) where they believe it is in their commercial interests so to do. This will lead to additional air-rail facilitation where it is in the commercial interests of all parties.

The Commission's approach will impose additional financial burdens on the air transport industry, as this sector will be responsible for funding (either directly, or indirectly through increased GDS costs) at least some of the development. It should be self-evident that the imposition of unnecessary costs, at a time when the air transport industry is in its most precarious financial position for several years and when airline bankruptcies are both a fact of life and predicted to continue, is unacceptable.

The publication of a consultation document which proposes action based on an unjustified hypothesis is an indication of failure to apply the principles of better regulation. The first two steps should be to identify and assess the significance of the problem. None of the information presented in the consultation paper satisfactorily addresses these fundamental points.

Finally, ERA supports the response to the consultation submitted by IATA. ERA members are able to take part in the initiatives described by IATA in its response.



DETAILED COMMENTS ON THE CONSULTATION DOCUMENT

A. THE COMMISSION'S OBJECTIVES

The Commission's objectives are neither transparent nor justified. However, a number of sources are quoted in the consultation document.

The consultation paper states that, based on the hypothesis that integrated ticketing is an important factor to increase demand for intermodal air-rail services, the objectives of the consultation are to:

- Examine organisational and technical opportunities related to sale and promotion of such services
- Open a debate on voluntary engagement of stakeholders for development of integrated ticketing

However, the Commission fails to give adequate justification for the hypothesis. Furthermore, the paper clearly states that no clear detailed analysis of the potential market for integrated ticketing exists.

Thus the objectives as stated have no firm basis.

The consultation also quotes a number of other objectives as stated in previous Commission papers.

From the Commission White Paper 2001

The adoption of integrated ticketing between transport operators of same and also between different transport modes will

- Ensure a widened choice of transport services for European citizens
- Prompt European citizens to make better use of the existing infrastructure when travelling, including using more environmentally modes of transport [ie rail in place of air]

From the Communication on strengthening passengers' rights 2005

It is the intention of the Commission to bring together rail companies and airlines to obtain a voluntary undertaking to set up an integrated ticketing system as

- Passengers' right to integrated ticketing is not yet achieved
- It should be simple for passengers to combine several modes of transport in one journey
- Passengers encounter difficulties in obtaining information and ordering tickets when the journey involves different modes

From the Communication on airport capacity, efficiency and safety 2006

The Commission intends to foster intermodality / comodality between train and plane. The Commission intends to encourage integrated air-rail ticketing

- To improve accessibility to airports
- To reduce the need for short-haul flights

There is no overall transparency as to whether any or all of the objectives or the perceived, but not justified, "problems" noted in these three earlier papers are intended to be addressed by this consultation.



B. THE COMMISSION'S JUSTIFICATION FOR ACTION

The Commission uses the responses to Special Eurobarometer 228 "Passengers Rights" published in July 2005 survey as justification for the action described in the consultation document.

The paper quotes the following conclusions:

- "the vast majority of citizens would welcome a single ticket for international trips combining several transport modes"
- "more than three quarters declared that they would be willing to use a unified passenger information service"

The ERA Directorate believes that the quotes from the Eurobarometer are misleading, and that these selective conclusions misrepresent the overall results of the survey.

See the Appendix attached below for the specific Eurobarometer questions and responses.

Eurobarometer survey - single ticket for intermodal travel

69% agree that the possibility to buy one single ticket for combined travelling (train-air) for international trips would encourage people to travel more (Q22).

Is the Commission's objective therefore to encourage people to make more international trips?

However, the same survey reported that 69% already believe that, in the European Union, travelling across a border is as easy as travelling within their own country (Q20). Furthermore 50% believe that planning an international journey using several modes of transport is easy, and 48% believe that purchasing tickets for an international journey using several modes of transport is easy. Given that about one quarter of people responded "Do not know", only about one quarter of the respondents thought that planning, and purchasing tickets for, an international intermodal journey was difficult.

While these numbers are not insignificant, they do not provide adequate evidence of a problem requiring intervention by the Commission.

In some states, the percentage of respondents who are satisfied is even higher. By reviewing and publicising the measures already in place in those states, the Commission could improve the satisfaction rating in other states much more cheaply, and probably more effectively, than by implementing the solutions offered in this consultation

Eurobarometer survey - single enquiry service

76% of respondents (24% certain, 29% very likely, 23% fairly likely) would use a single enquiry service that gives information about all possible means, schedules and costs of travelling, to decide how best to travel (Q23).

This question was not related to international travel, but to travel in general, as were many of the questions in the survey. It should be obvious that the question would attract a positive response, as there was no indication that any cost might be incurred.

When asking if respondents would use a facility that does not yet exist, greater insight is obtained by asking respondents if they would use it under a number of financial conditions (eg if available at no



cost, or at various costs). Responses to this question would enable a cost benefit analysis to be performed. Therefore it is essential that such research is undertaken before the Commission imposes a requirement on industry to provide such a function.

The industry will, of course, provide such functionality where it is commercially beneficial. Eurostar's inclusion in GDS is leading the way.

C. ANSWERS TO QUESTIONS IN CONSULTATION

(The words in italics are taken from the consultation document.)

Scope of air-rail integrated ticketing

Question 1. What is in your opinion the market potential for these services?

Further analysis is needed to assess the market potential of integrated high-speed rail and air travel. However, given the current low number of easy interchanges, the current market potential is undoubtedly very small relative to the total number of high-speed rail passengers and air passengers, the vast majority of whom are making point to point journeys or making connections within their chosen mode of transport.

There are undoubtedly many journeys that involve a mix of local rail, coach or bus services connecting to both high speed rail and air. However, there is no evidence that these journeys are in anyway inhibited at present.

Question 2. What are your comments on the scope of integrated ticketing as proposed, as a first step, at point 5.1? Do you think that the scope should be extended to other modes of public transport?

ERA does not believe that there is any justification for Commission intervention on integrated ticketing.

Question 3. What are, according to you, the connections on which air-rail services are possible, in particular in relation to the criterion of the quality of the airport/railway station interface?

Because these include all local links available at airports with a dedicated or nearby local rail interchange, they are too numerous to iterate. However, this fact does not justify intervention, as the existence of these facilities demonstrates their use, and there has been no quantification of any barriers to their use.

Institutional framework

Question 4. What is your opinion on the feasibility and the contents of the voluntary agreement as proposed at point 5.2? Would you be ready to take part in it?

If, as appears evident, the primary objective is to achieve modal shift from air to rail, the ERA Directorate is unable to participate without a clear mandate from members. If the Commission were to assure the ERA Directorate that this is not at least part of the objective, and the terms of reference explicitly make this clear, then participation by ERA can be reconsidered.



Technical aspects of the integrated ticketing

Question 5. What are your comments on the technical solution proposed for the integrated air-rail ticketing and the operating mode of the system as described at point 5.3? Do you see any problems related to it and if so, which ones? Can you envisage any alternative solution which could be satisfactory as far as a swift and economical implementation is concerned?

ERA has no comment on technical solutions at present.

Project management

Question 6. Which is the most appropriate management structure for the first phase of this project?

ERA has no comment on management structure at present.

Operational aspects

Question 7. Are the problems involved in air-rail integration mainly of an operational nature or are they rather related to the distribution of the product? In the first case, please specify.

ERA recognises that not every possible requirement for rail-air integration is currently available. However, ERA does not acknowledge that this represents a “problem” that requires Commission intervention. Substantially more factual information and analysis of data are required if Commission intervention is to be justified.

Question 8. How important is it to travel with registered luggage on the entirety of the intermodal journey? Which solutions do you envisage?

ERA has no comment on registered luggage at present.

Your suggestions

Question 9. Do you have further comments on the text of the document? Do you have suggestions regarding action at Community level which was not mentioned in this document?

ERA is firm in its belief that the need for Community intervention has not been justified.

Andy Clarke
Director Air Transport Policy
European Regions Airline Association

30 September 2008



APPENDIX

EUROBAROMETER SURVEY QUESTIONS AND RESPONSES

Q20

For each of the following statements related to travel within the European Union, could you please tell me to what extent you agree or disagree.

20.1 In the European Union, travelling across a border is as easy as travelling within (OUR COUNTRY)
69% agree. The breakdown of the remaining 31% between “disagree” and “don’t know” is not available.

20.2 Planning an international journey using several modes of transport is easy
50% agree. The breakdown of the remaining 50% between “disagree” and “don’t know” is not available.

20.3 Purchasing tickets for an international journey using several modes of transport is easy
48% agree, 27% disagree, 25% don’t know.

Q21 (asked only to those who disagreed with 20.1)

Why do you think that travel involving crossing a border in the European Union is more difficult than travelling within (OUR COUNTRY)? Is it because...?

Respondents were able to choose multiple responses. Top responses were

Lack of information (44%)

Prices too high (30%)

Q22

Do you think that the possibility to buy one single ticket for combined travelling (train-air) for international trips would encourage people to travel more?

69% agree. The breakdown of the remaining 31% between “disagree” and “don’t know” is not available.

Q23

If there were a single enquiry service giving information about all possible means, schedules and costs of travelling, how likely would you be to use it to decide how best to travel?

24% certain, 29% very likely, 23% fairly likely

Q24

When you are planning a journey, do you find it difficult to decide which means of transport is the best (car, bus, coach, train, ferry, and plane)?

No answers reported in Eurobarometer report

