

INCEPTION IMPACT ASSESSMENT

Inception Impact Assessments aim to inform citizens and stakeholders about the Commission's plans in order to allow them to provide feedback on the intended initiative and to participate effectively in future consultation activities. Citizens and stakeholders are in particular invited to provide views on the Commission's understanding of the problem and possible solutions and to make available any relevant information that they may have, including on possible impacts of the different options.

TITLE OF THE INITIATIVE	Multimodal Digital Mobility Services
LEAD DG (RESPONSIBLE UNIT)	DG MOVE B4
LIKELY TYPE OF INITIATIVE	Proposal for a Regulation
INDICATIVE PLANNING	Q4/2022
ADDITIONAL INFORMATION	https://ec.europa.eu/transport/themes/its/road/action_plan/multimodal-travel-information_en

The Inception Impact Assessment is provided for information purposes only. It does not prejudice the final decision of the Commission on whether this initiative will be pursued or on its final content. All elements of the initiative described by the Inception impact assessment, including its timing, are subject to change.

A. Context, Problem definition and Subsidiarity Check

Context

Planning and buying tickets for multimodal journeys is much too often much too cumbersome for travellers in the EU. Multimodal digital mobility services (MDMS) can be defined as “*systems providing information about, inter alia, the location of transport facilities, schedules, availability and fares, of more than one transport provider, with or without facilities to make reservations, payments or issue tickets*” (e.g. route-planners, Mobility as a Service, online ticket vendors, ticket intermediaries). They help both passengers and/or other intermediaries compare different travel options, choices and prices, and can facilitate the sale and re-sale of mobility products from different operators, whether they are private or public, within one mode or across modes¹. By facilitating the access to information, booking and payment of mobility services, these services will improve the sustainability, resilience, efficiency and comfort of the transport system.

The Delegated Regulation (EU) 2017/1926 on EU-wide multimodal travel information services establishes the necessary specifications to ensure that multimodal travel information services are accurate and available across borders to users. Currently, the Delegated Regulation supports the development of multimodal travel information services by mandating the accessibility and the possibility to exchange and reuse static travel and traffic information data, if they exist in digital machine-readable format, on National Access Points². Services facilitating payment and booking of mobility products are not in the current scope of this Delegated Regulation but will be covered by this new initiative.

The current Work Programme³ of the Intelligent Transport Systems (ITS) Directive refers to an initiative on interoperable payment and ticketing. In the Commission Work Programme 2021, the Commission announced a multimodal ticketing initiative alongside the revision of the ITS Directive. In line with the Work Programme, in the flagship 6 ‘Making connected and automated multimodal mobility a reality’ of the [Sustainable and Smart Mobility Strategy \(SSMS\)](#), several actions to support further the development of MDMS were announced. The

¹ In the scope of the initiative are included: scheduled modes for rail, air, maritime, coaches, public transport; demand-responsive modes, shuttles bus and ferry, taxis, sharing, pooling, rental of vehicles; and personal modes of transport such as car, motorcycle and active modes i.e. walking and cycling.

² https://ec.europa.eu/transport/themes/its/road/action_plan/nap_en

³ https://ec.europa.eu/transport/sites/default/files/legislation/c20188264_en.pdf

following elements are implementing these actions:

- I) A new initiative addressing market challenges for the development of MDMS for passengers, including rail ticketing (Action 37 of the Strategy). This initiative will be supported by an impact assessment study.
- II) The revision of Delegated Regulation (EU) 2017/1926 on multimodal travel information services (Action 36 of the Strategy). The cost-benefit analysis for this revision will be supported by the study carried out in the context of the impact assessment study under action I.
- III) Revision of the ITS Directive 2010/40/EU as regards to horizontal provisions on ITS services. This revision is supported by a separate impact assessment study.
- IV) A multimodal passenger stakeholder Commission expert group to support the Commission in relation to the aforementioned initiatives.

This inception impact assessment covers element I) described above. In parallel, the Commission is preparing an [impact assessment](#) for a possible revision of Regulation (EC) 80/2009 on a Code of Conduct for computerised reservation systems (“CRS Code of Conduct”). Given the thematic overlap, the Commission will ensure coherence between the two impact assessment exercises and any resulting measures.

In addition, the Commission is working, with the Data Act, on a legislative proposal to facilitate access to and use of data, including business-to-business and business-to-government data.

Problem the initiative aims to tackle

Multimodal digital mobility services (MDMS) are currently deployed in a fragmented manner, lacking proper legal and market frameworks to develop more successfully and to provide a full range of offers across the EU. While Mobility as a Service (MaaS) applications are being developed in many cities, the legal framework for their development varies from one Member State to another. For long distances, few multimodal digital services, offering comprehensive multi-modal, multi-operator options to passengers, exist. Many issues remain, such as difficult co-operation between mobility operators and multimodal digital mobility services; complex and lengthy negotiations to obtain licences and distribution agreements; the lack of common standards and interfaces; and the lack of solutions concerning revenue sharing. In some cases, those distribution agreements between operators (both public and private) and digital service providers are unbalanced, due to inequality of bargaining power in favour of incumbent operators.

Different market realities exist for the distribution of transport products in the different individual modes.

In the rail sector, with its specific network structure which sometimes makes the use of multiple operators necessary, the limited uptake of fair and transparent underlying private agreements between operators on journey continuation is also a barrier for selling combined journeys. Such agreements enable companies to ensure that passengers who miss a connection due to the late arrival of a previous train can be carried on a later train, reducing the risk to be stranded and making rail more attractive for a wider range of travellers.

For the air services sector, the CRS Code of Conduct already regulates some aspects of the commercial relationships in indirect distribution of airline tickets. This initiative is not intended to duplicate the work of that ongoing impact assessment, but will consider how to better promote links between air and other modes. Although the current CRS Code of Conduct does include limited provisions to promote rail transport and inter-modal transport, the Commission’s 2020 [evaluation](#) found that only a few rail companies participate in CRS today, and concluded that there is insufficient evidence to confirm that the CRS Code of Conduct remains the most appropriate or necessary vehicle to achieve the multimodal objective.

As a result, the full societal, economic and environmental benefits from enhanced multimodality and the use of the most sustainable transport modes are not achieved. Some current practices also risk limiting competition among transport service providers by restricting access to customers and the development of a healthy market for transport services.

More specifically, there are three key problem drivers:

- **Opaque conditions for combining and re-selling mobility products in land based modes, waterborne and maritime transport:** multimodal digital mobility services lack certainty on the conditions attached to re-selling mobility products (for example amount of the fee charged by resellers or the marketing conditions) while operators are more reluctant to enter into commercial agreements with third parties without clarity on how their mobility products will be re-sold and their data re-used. Transparency as regards liability vis-à-vis the passenger should also be part of the commercial framework.

In addition, for the rail sector, the lack of transparency and limited uptake of journey continuation agreements between operators hinders the provision of combined rail offers and through-tickets for rail services. Overall, the lack of clarity hampers the development of viable multimodal digital mobility services.

- **Difficulty to ensure that incumbent MDMS do not adopt anti-competitive practices or that deployment of MDMS is not limited by anti-competitive practices:** in some cases, multimodal digital services do not integrate other operator's offers leading to less transparency, less comparability, and fewer choices for users. This behaviour can especially occur when a (multimodal) digital services provider is at the same time an operator, competing with other operators (e.g. large incumbent state-owned railway undertakings). In other cases, within the terms of commercial agreements for land-based modes, waterborne and maritime transport, operators limit the ability of multimodal digital services to compete on an equal footing by providing equivalent and relevant real-time information to passengers before, during and after the journey.
- **Difficulty to ensure that multimodal digital mobility services support transport sustainability objectives:** multimodal digital services may not provide sufficient information on the most sustainable short distance travel modes (e.g. walking or cycling).

- Basis for EU intervention (legal basis and subsidiarity check)

- Article 91 TFEU (transport)
- Art 100(2) TFEU (sea and air transport)

This proposal will support the development of MDMS available across borders. It addresses trans-national aspects that have not been and cannot be satisfactorily addressed by Member States only, such as the development of horizontal provisions to ensure that the digital mobility services support the EU's sustainability objectives. Defining new requirements will be done following the principle of proportionality, taking into account the local, regional, national and European specificities (in particular where these requirements would extend to urban / local level).

B. Objectives and Policy options

This proposal aims at increasing the deployment and operational use of digital mobility services within and across passenger transport modes, with the intention to significantly improve multimodality, inclusiveness and sustainability in the EU, within Member States and across borders. In view of identified market imbalances, this proposal seeks to address market challenges hampering the development of multimodal digital mobility services and to establish frameworks for commercial agreements for services re-selling mobility products as well as for agreements on journey continuation. In doing so, the initiative aims to make mobility more sustainable and efficient, contributing to the European Green Deal and making Europe fit for the digital age.

The specific objectives are to:

- SO1: provide certainty and transparency for business-to-business commercial agreements for services re-selling mobility products for land-based modes, waterborne and maritime transport, as well as for agreements on journey continuation.
- SO2: Prevent harmful market effects which may arise from discriminatory behaviour of MDMS against operators, and ensure that the deployment of MDMS is not hampered by discriminatory practices.
- SO3: ensure that MDMS enhance the efficiency and sustainability of the transport system.

In the baseline scenario, the current Delegated Regulation (EU) 2017/1926 will be reviewed to address limited accessibility of dynamic data. It will also consider endogenous factors, e.g. other related initiatives such as the revision of the Telematics Applications for Passenger services (TAP TSI) in the rail sector, the revision of the CRS Code of Conduct, as well as exogenous factors (e.g. technological developments and macro-economic trends).

The impact assessment will analyse different policy options aiming to ensure the achievement of the objectives. Such options can include several measures (subject to further analysis, scoping and screening). A non-exhaustive list of operational objectives / measures for each specific objective (subject to further analysis, scoping and screening), such as:

1: Provide certainty and transparency for business-to-business commercial agreements for services re-selling mobility products for land-based modes, waterborne and maritime transport, as well as for agreements on journey continuation

- Clarifying what can be done when re-selling mobility products: clarifying that all type of tickets can in

principle be (re) sold by MDMS; MDMS are able to freely negotiate their pricing policy; no marketing restrictions are imposed on MDMS.

- Establishing a set of safeguards, which need to apply when mobility products are sold through intermediaries: on ensuring transparency on liability for the user, avoiding misappropriation of commercially sensitive data.
- Establishing minimum requirements, conditions of transparency and non-discriminatory access to agreements on journey continuation, which would allow offering of alternative tickets in case of a disrupted journey performed under through-tickets or combined separate tickets.

2: Prevent harmful market effects which may arise from discriminatory behaviour of MDMS against operators, and ensure that the deployment of MDMS is not hampered by discriminatory practices

- As regards the behavior of incumbent MDMS towards operators: establishing provisions on fair and non-discriminatory multimodal digital travel services, in particular, to ensure the integration of operators willing to be part of a multimodal digital mobility service, as well limiting self-preferencing and favoring neutral display.
- As regards the behaviour of operators towards MDMS: establishing minimum requirements, conditions of transparency and non-discriminatory access for MDMS to operators’ real-time data and journey information.

3: ensure that MDMS enhance the efficiency and sustainability of the transport system

- Establishing obligations on MDMS to ensure that they provide information to passengers on the greenhouse gas (GHG) emissions of a trip, including in urban context (where active modes such as walking and cycling and public transport should be part of the options). This provision should be linked with the development of dedicated initiatives for GHG and environmental emissions accounting, such as the future EU framework for harmonised measurement of transport and logistics emissions (Actions 28, 33 and 34 of the SSMS) and the environmental label programme for aviation by the European Union Aviation Safety Agency (action 35 of the SSMS).
- Establishing obligations on MDMS providers to ensure that data critical for mobility management tasks are shared with public transport authorities in compliance with the GDPR.

Different market realities exist for the distribution of transport products in the different individual modes, and these will be taken into account in the further refinement of the possible measures. This can include tailoring different measures for different modes, in order to achieve the same common objectives. In particular, the measures will ensure coherence with the ongoing impact assessment for a possible revision of the CRS Code of Conduct.

C. Preliminary Assessment of Expected Impacts

Likely economic impacts

The deployment of multimodal mobility services is expected to have a positive impact on the market for mobility services by promoting competition, technological innovation and consumer choice. This would benefit in particular the many SMEs in the mobility sector, both digital services or transport service providers..

Establishing clear rights and obligations will require some actors to make changes to their offers, but it will make the re-sale of transport services fairer and more open, while aligning them to wider policy goals (e.g. sustainability). Accelerated deployment of MDMS may entail large investment and operational costs, in particular for service providers/developers, transport operators and public authorities. On the other hand, improved information on travel flows and mobility options should contribute to better infrastructure use, less time spent in traffic, better connectivity for passengers and less energy use and harmful emissions thereby reducing external costs and improving the efficiency of the EU transport system.

Likely social impacts

The deployment of multimodal mobility services can provide the user with a more seamless travel experience through more and better information on travel options and facilitated booking/ticketing. This can make transport more inclusive, reduce journey disruption for connecting services, enhance quality of life in cities, enhance the freedom of movement and connectivity, in particular for rural and remote areas, as well as cross-border mobility.

Likely environmental impacts

MDMS can contribute to reducing the negative environmental externalities of transport (in particular air pollutant and CO₂ emissions), through more efficient use of transport infrastructure, smoother transport flows, the

<p>facilitation of multimodality (enabling the use of more efficient and environmental-friendly modes) and better informed choices. Ensuring that train services can be linked to form a seamless journey will make it easier and more attractive for railway undertakings and ticket vendors to offer rail services and for passengers to choose rail as an alternative to less sustainable ways of travelling.</p>
<p>Likely impacts on fundamental rights</p>
<p>The operational use of MDMS will lead to a strong increase in the availability, accessibility and sharing of data in the transport sector. As this concerns passenger data, such services have to comply fully with EU rules on processing of personal data.</p>
<p>Likely impacts on simplification and/or administrative burden</p>
<p>Further harmonisation and coordination of MDMS' deployment, in particular through legislation, would contribute to progress in a consistent and harmonised manner by all actors across the value chain, reducing transaction and alignment costs, depending on the measures.</p>
<p>D. Evidence Base, Data collection and Better Regulation Instruments</p>
<p>Impact assessment</p>
<p>An impact assessment study will be carried out to support this new market proposal and also taking into account the cost and benefits for the revision of Delegated Regulation 2017/1926.</p> <p>The impact assessment support study and consultation activities will start in Q4 2021.</p>
<p>Evidence base and data collection</p>
<p>In 2019, the Commission published a report on the <i>Remaining challenges to EU-wide integrated ticketing and payment systems</i>. An impact assessment study is currently being carried out for the revision of the ITS Directive. Member States' reports on the implementation of Delegated Regulation (EU) 2017/1926 and additional ITS reports will be part of the analysis. In addition, in October 2020, the Commission also held a series of stakeholder workshops on the topic.</p> <p>A support study for the Impact Assessment will be contracted to gather additional data, through desk and field research activities, including stakeholder consultations.</p> <p>A specific Commission expert group on multimodality for passengers composed of relevant public and private stakeholders will also be established, with the objective to provide expertise and input in the discussion for this new proposal.</p> <p>Meanwhile, on-going studies, specifically on cross-border long distance passenger rail services and the work on other initiatives under preparation, in particular those related to the implementation of the working programme of the ITS Directive, the revision of the CRS Code of Conduct, and those under the European strategy for data, specifically the Digital Markets Act, will also be taken into consideration.</p>
<p>Consultation of citizens and stakeholders</p>
<p>The consultation activities will provide the concerned stakeholders and wider public an opportunity to express their views regarding key elements of the initiative and the impact assessment. This will also allow the Commission to gather specialised input (data and factual information, expert views) on the various measures considered under the initiative. Consultation activities will be communicated through the DG MOVE website.</p> <p>The planned consultation activities are:</p> <ul style="list-style-type: none"> • An open 12-week public consultation planned for publication in Q4 2021 on the <i>Commission's central public consultations page</i>. The questionnaire will be available in all 24 official EU languages. • A targeted consultation (surveys and/or interviews) of professional stakeholders as part of the support study. <p>Three stakeholder workshops to which key public and private operators and stakeholders will be invited. It aims to validate (1) the set-up of the support study and (2) its findings, including the policy options considered.</p>
<p>Will an Implementation plan be established?</p>
<p>There is no need to establish an implementation plan, since no technical, compliance or timing challenges are envisaged in this initiative.</p>