

Passenger Rights in Multimodal Transport - MaaS Alliance Vision Paper

WHAT IS MaaS?

MaaS is the integration of various forms of transport services into a single mobility service accessible on demand.

For the user, MaaS offers added value through the use of a single application to provide access to mobility, with a single payment channel instead of multiple ticketing and payment operations. To meet a customer's request, a MaaS operator facilitates a diverse menu of transport options, be they public transport, ride-, car- or bike-sharing, taxi, car rental or lease, or a combination thereof. A successful MaaS service also brings new business models and ways to organise and operate the various transport options, with advantages including access to improved user and demand information and new opportunities to serve unmet demand for transport operators. The aim of MaaS is to be the best value proposition for its users, providing an alternative to the private use of the car that may be as convenient, more sustainable, and even cheaper.

EXECUTIVE SUMMARY

The legal framework of the current passenger rights in travel chains is uncertain amongst both service providers and passengers. The MaaS Alliance urges that before new legislative measures, the development of the whole transport sector, including multimodal and cross-border travel chains, should be closely followed and the applicability of the general consumer protection laws carefully examined. Exchange of **industry best practices and self-regulation** should be promoted and supported. Whilst the current legislative framework with emerging services and markets is creating uncertainty in passengers and service providers, soft law measures should be considered.

Soft law measures could include gathering together existing legislation and describing the responsibilities and liabilities of the different actors especially with regard to information of changes in the travel chain and re-routing; rights and services to people with special needs in connecting points; as well as the role of digital platforms especially in relation to the Package Travel Directive.

The MaaS Alliance emphasises that the liability and passenger rights framework should be designed from the end-user perspective. A user-centric approach, combined with close cooperation with the private sector, can create the most efficient preconditions for the development of both passenger rights and a more innovative market environment.

With this paper, the MaaS Alliance communicates its vision on **multimodality and passenger rights highlighting the specificities of Mobility as a Service (MaaS)** as an emerging consumer market. In addition, the aim is to identify necessary steps for developing a **user-centric mobility system**, including clearly defined passenger rights. The paper argues that to advance MaaS, multimodality and user-centric services, certain key elements should be considered when any legislative framework on multimodal passenger rights is developed.

Key elements, further discussed in the paper, are summarised as follows:

1. **Current efforts to develop multimodal passenger rights should focus on self-regulative measures by the market and soft law (i.e. recommendations) and avoid early large-scale regulatory measures.** The intention is to observe and assemble intelligence on evolving MaaS systems and on optimal and innovative regulatory approaches to gather deep understanding based on the experience of the emergence and rollout of first generation multimodal mobility services.
2. **Legislation that hinders the emergence of multimodal mobility services and creates legal uncertainty should be amended.** The intention is to
 - avoid additional fragmentation between transport modes (e.g. via current or new mode-specific rules), and
 - actively eliminate many of the actual or perceived barriers to multimodal mobility services (i.e. how laws are interpreted may restrict action to a greater degree than the law intended).
3. **Sharing best practices regarding all aspects of multimodal mobility services and coordinating efforts to create beneficial environments to support such services should be widely and actively supported.** The intention is to facilitate learning from others' experiences, successful and unsuccessful, to accelerate the availability and use of multimodal mobility services for and by citizens.
4. **Liability and passenger rights frameworks should be designed from the end user's (traveller's) perspective. Different regulatory initiatives or proposals must be trialled and tested from this perspective.** The intention is to create attractive and easy-to-use multimodal mobility services that offer added value over and above ad hoc solutions, so as to accelerate acceptance and adoption of multimodal services.

As a general principle, it is important to remember that **MaaS is multimodal by nature**, an integrated multimodal mobility 'offer' fulfilling the user's (individual, household, work related, etc.) entire mobility needs on a daily, monthly and seasonal basis (and thus able to compete with the private car). This is instead of focusing on promoting disparate, single, alternative modes. MaaS has the potential to tailor mobility services better and take into account the individual needs of a user, giving more power to and options in terms of personal mobility.

From the MaaS perspective, the regulatory principles or recommendations can be summarised as follows: if it is good for the greatest number of an increasingly diverse set of customers (end-users, travellers), and within the social, economic, and environmental goals of the community, city or region offering MaaS, it is good for MaaS development.

MULTIMODALITY AND MOBILITY AS A SERVICE (MaaS)

In the transport sector, multimodality refers to the use by a traveller of different means of transport to accomplish her/his journey. Multimodality takes advantage of the strengths of each mode of transport, (e.g. its convenience, speed, cost, reliability, etc.) to offer, through the combination of these modes, a more efficient mobility solution, better suited to the needs of the user. Furthermore, multimodality can ease capacity problems related to congested roads and transport routes and help provide a more environmentally friendly transport system in a safer and cost-efficient manner.

While multimodality is a key aspect of MaaS, MaaS goes much further in terms of seamless integration, customization and roaming¹ of mobility services, while enhancing related economical, ecological and societal opportunities and sustainability. This process is facilitated by new technologies, cultural shift and innovative policies.

As described in the MaaS Alliance [White Paper](#), MaaS is the integration of transport and other services into a single 'mobility service' (see Figure 1). MaaS services aim for the full integration of private and public mobility and other service providers and for the seamless combined use of public, private and shared fleets. To best meet a user's mobility needs, these services can be personalised through a diverse menu of transport options, be they public or private, or a combination thereof. From a technological perspective, MaaS can offer added value to the user through the use of a single interface to provide access to mobility options via a single ticketing and payment channel. Furthermore, MaaS goes beyond transport, by complementing the mobility experience with supportive and personalised services, through connected services or wise urban design and infrastructure. From the end-user perspective, the goal is for MaaS to be the best value proposition for its users, ultimately providing an alternative or complementary solution to private vehicle use and ownership that is as convenient as well as more sustainable.

MaaS services will need to meet economic, environmental, and societal challenges and goals (see Figure 2). In other words, they will need to be designed for sustainability. MaaS services should be interoperable across borders and integrate their sustainability goals within their design. To meet these requirements, an effective MaaS ecosystem must operate on a level playing field where all transport operators act towards a common goal of delivering door-to-door, seamless mobility experiences. This requires strong cooperation between public and private stakeholders and a regulatory framework that takes into account characteristics and commonalities of transport modes and reflects in particular the MaaS perspective.

¹ Meaning interoperability and compability of MaaS services between operators and geographical areas

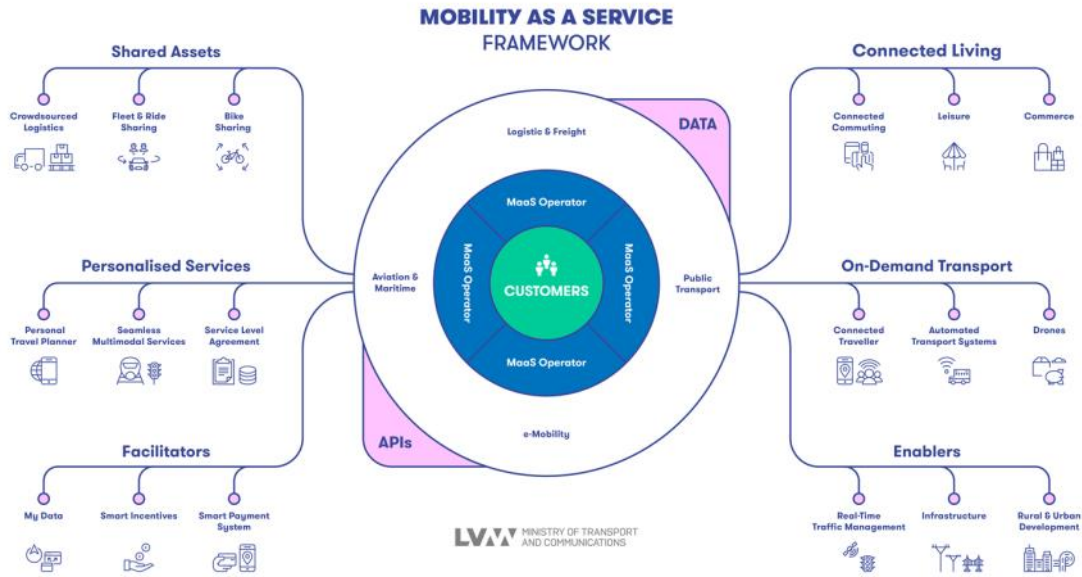


Figure 1: Mobility as a Service framework²

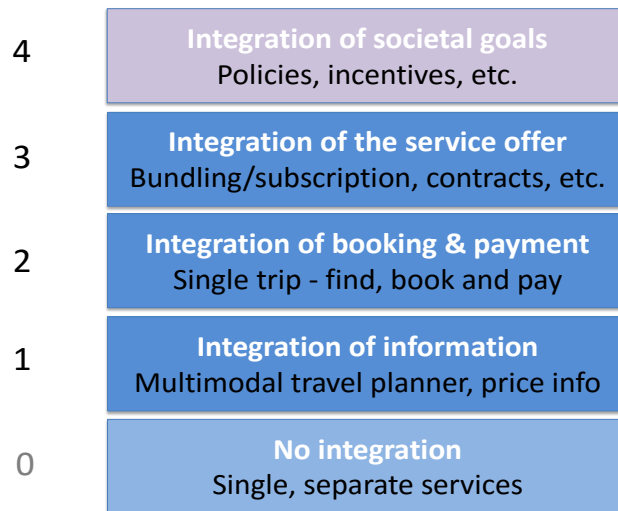


Figure 2: Proposed topology of MaaS including Integration Levels 0-4³

² Finnish Ministry of Transport & Communications, 2016.

³ See Sochor, et al. A topological approach to Mobility as a Service: A proposed tool for understanding requirements and effects, and for aiding the integration of societal goals. 1st International Conference on Mobility as a Service (ICoMaaS), Tampere, Finland, November 28-29, 2017.

THE CURRENT STATE OF PLAY FOR PASSENGER RIGHTS IN MULTIMODAL TRANSPORT IN EU REGULATIONS

Currently in the EU, rules on passenger rights are scattered across several pieces of legislation, unbalanced and in modal silos. From the end-user (traveller) perspective, multimodal travel chains have yet to reach their full potential as modes too rarely form seamless travel chains either physically or in terms of information, booking, ticketing, payment, travel/service guarantees, etc. For transport service operators and other service providers, travel chains consist of separate parts, each having their own legislative framework. This results in high levels of uncertainty amongst both passengers and service providers regarding rights and liabilities.

Recent studies⁴ commissioned by the Finnish Ministry of Transport and Communications (MINTC) and the Finnish Communications Regulatory Authority (FICORA) of the current legal framework on passenger rights and its applicability to modern, combined services (provided through digital platforms or so-called MaaS operators) clearly show that there is fragmentation and uncertainty surrounding applicable regulation and the roles of the different stakeholders, which is hindering the development and provision of multimodal mobility services. The studies highlight that the current EU legislative framework is lagging behind concerning data, open interfaces (APIs) and platform operators, all of which play major roles in providing multimodal

Passenger rights in the EU exist for bus and coach, air, rail and maritime transport, among others. At urban level, such rights, when they exist, are mostly substantiated on quality assurance schemes on a voluntary basis. These sets of rights are sector-specific and therefore do not apply to other modes of transport. Recognising this situation, in 2017 the European Commission launched a public consultation on a possible initiative at EU level in the field of passenger's rights in multimodal transport. The results exemplify, inter alia, how passengers do not always receive correct, complete and transparent information about the full ticket price for the whole journey.

In addition, in general terms, passengers remain confused on what their rights are in the event of disruptions affecting one specific segment of the journey (such as long delays, cancellations). Moreover, the real, monetary, loss results from the fact that currently there are no multimodal services available where service providers are obliged to compensate indirect damages in cases where for example passenger misses a flight because of the delay of a train.

HORIZONTALLY AND VERTICALLY FRAGMENTED FRAMEWORK

Several business-to-consumer (B2C) legislative acts and areas can affect the relationship between the MaaS ecosystem and its users: passengers' rights legislation specific to each mode of transport, the package travel directive, consumers' rights legislation, EU initiatives on multimodal travel and integrated ticketing, data protection legislation and potentially regulation targeting platform companies. All these elements, some addressing horizontally all sectors of the economy, some being more transport specific, touching either the multimodal mobility chain in an integrated manner or individual transport modes will guide the distribution of responsibilities and

⁴<https://www.viestintavirasto.fi/en/steeringandsupervision/cooperation/nationalcooperation/jointprojects/interoperabilityofticketandpaymentsystemsproject.html>

liabilities among players within the MaaS ecosystem towards its users. An analysis of all relevant legislative frameworks will allow to identify potential frictions and could lead to the development of various contractual or voluntary tools governing B2B (within MaaS ecosystem) and B2C (towards users) relationships. The objective is to guarantee legal and operational certainty for all players within the ecosystem and MaaS users.

THE CASE OF PACKAGE TRAVEL DIRECTIVE

As a specific issue, in order to achieve both seamless multimodal transport and MaaS, any impracticalities and legal uncertainties created by the implementation and interpretation of the new Package Travel Directive (2015/2302/EU) need to be addressed and clarified. Failing to do so could pose a considerable obstacle to the development of seamless, integrated multimodal transport solutions, as the liabilities that come with putting together ‘package travel’ are burdensome to such an extent that many service providers may shy away from sharing consumer and journey information, despite being GDPR compliant.

For example, if a MaaS operator wants to offer services combining different mobility solutions, and assuming a use case lasts over 24 hours, the operator would risk having to be compliant with the Package Travel Directive. In this case, the operator could be obliged to accept additional obligations, since its service could be considered as a “Package”. These additional obligations can cause an excessive burden for the MaaS operators (providing pre-contractual information, bankruptcy protection to be taken by the MaaS operator related to all payments made, transferability of the package etc.).

The MaaS Alliance welcomes the fact that the European Commission recently set up the Stakeholder Expert Group to support the application of the Package Travel and Linked Travel Arrangements Directive. The MaaS Alliance appreciates this opportunity to identify the related potential challenges and advise on possible solutions and will try to ensure a representation of relevant MaaS stakeholders in this Expert Group to avoid MaaS developments being stifled by unintended restrictions caused by a misinterpretation of the Package Travel Directive.

To pave the way for a seamless MaaS ecosystem, the MaaS Alliance stresses the fact that awareness should be raised regarding the above-mentioned issues arising from the Package Travel Directive, which, if literally applied, will affect the system in its efficiency and future development. This is so burdensome that it could stop some players to engage in the MaaS ecosystem and limit competition and the benefits of the Digital Single Market.

RECOMMENDATIONS REGARDING THE EU REGULATORY FRAMEWORK

The EU is currently analysing the possible need for introducing new legislation on multimodal passenger rights. Possible scenarios by the Commission have included adding to the current passenger rights new legislation for the ‘connecting points’ of multimodal travel chains. This ‘connecting points’ approach can be problematic and applicable only in limited cases. However, the emergence of multimodal travel services and MaaS in particular have a far wider scope than long-distance travel between modes currently covered by different passenger rights directives.

MaaS packages are combined services that can include local and long-haul travel (including cross border services) on a daily basis, and services beyond transport (e.g. event tickets, grocery shopping). Individual, new services are also developing at a rapid pace. For example, car rentals are no longer a part of occasional use but exist as minute-based, free-floating services. In addition, the role of platforms in booking and paying for mobility is fast growing. To avoid outdated and possibly unnecessary measures, the Commission should considerably widen its analysis of the current market development.

Due to the current legislative fragmentation, the above-mentioned approach has the potential to further restrict the development of modern, user-centric services. The recently adopted Package Travel Directive is a prime example how new hard legislation can be harmful to the legal state when the technology and market are rapidly developing.

SELF-REGULATIVE MEASURES AND BEST PRACTICES

The MaaS Alliance, with its members, is contributing and supporting this work with the foreseen publication of recommendations for a user-centric development path in the MaaS ecosystem (to be launch in autumn 2018) to facilitate the development of MaaS and the new era of passenger rights. Promoting the exchange of industry best practices and the applicability of general consumer rights are essential for the development of the passenger rights and an innovative market environment.

What characterises (and enables) MaaS is the constant presence of data and information in the value chain. From the user's perspective, in order to create attractive high-level services, service providers should provide clear information of the support and recourse in case of disruption or delay within the service chain. Real-time information and a continuous communication with the customer enable real-time communication in case of disruption or delay during the journey. Often providing just on time and reliable information for instance about the expected durance of the disruption or about the alternative travel options is already part of the solution and should be used as a tool to improve the customer experience and satisfaction. It should not be considered as a limitation to the liability of the MaaS operator or transport service provider in the case of serious disruption but is powerful way to improve the user experiences and trust in the system.

Also, the MaaS Alliance recognises it as imperative that on the user's side, data privacy should be safeguarded so that the user is aware of what personal and non-personal data will be shared among service providers and should be preceded by explicit consent.

The Mobility as a Service Alliance (MaaS Alliance) is a public-private partnership that is creating foundations for a common approach to MaaS, and unlocking economies of scale needed for successful implementation and take-up of MaaS in Europe and beyond. The main goal is to facilitate a single, open market and full deployment of MaaS services.

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