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| Venue       | Brussels  |                      |
| Date        | 30 April 2009                                     |                      |
| Attendees   | Stakeholders, Commission, SDG                     |                      |
| Circulation | All attendees                                     |                      |
| Project     | Study into passenger transport by coach in Europe | Project No. 22046001 |

**Subject Stakeholder Workshop**

1. Enrico Grillo Pasquarelli, Director of Directorate E (Inland Transport), opened the meeting. He introduced the study and explained the Commission's objectives.
2. Simon Smith and Ben Durbin (Steer Davies Gleave) presented the conclusions of the study with regard to the coach market in the case study States, the statistics that had been collected, and the issues identified relating to cabotage.
3. In response, Mr Szabolcs Schmidt, Head of Unit E1 (Land Transport), noted that the European coach market was diverse. He emphasised that market restriction is only in domestic markets, as full (European) liberalisation of the international market occurred in 1992. He requested that data in the final report distinguish between regular and occasional transport, as well as international and domestic services. Simon Smith noted that this data is often not available but that it is covered in the report where it is available.
4. In relation to cabotage services in Greece, Szabolcs Schmidt noted that restrictions are due to the domestic regulatory environment, and that the Commission are currently considering this situation.
5. He also asked specifically about competition with low cost airlines. Simon Smith responded that there had been a growth in long distance international coach services from accession states from around 2004, but in the last 2-3 years, many low cost airlines had expanded services and that the number of coaches is believed to have declined. John Gilbert (Eurolines UK), stated that while market share had diminished, the coach operators still presented significant advantage to customers who needed to travel with luggage, and that the routes could still remain competitive.
6. Oleg Kamberski of the International Road Transport Union (IRU) thanked the Commission for commissioning the study, and looks forward to this being the first step in an ongoing process. He recognised the data unavailability and remarked on the work of UNECE, EUROSTAT, and ITF towards greater data availability.

He remarked on there being at least four distinct markets to consider: regular PSO services, regular services operated in a market environment, special regular, and occasional services.

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He understands that there is a significant amount of underreporting of data about the market due to the current lack of reliable data, primarily in the latter two categories.

He also noted that cabotage will become an issue for the future. Some large Member States have refused to authorise cabotage services. Cabotage has the potential to save operators costs and allow them to operate more international routes.

Enrico Grillo Pasquarelli responded to these issues and explained the road transport package that is progressing through the legislature. He emphasised the distinction between domestic and international regulation, with the international occasional market completely liberalised in the EU and regular international liberalised subject to national authorisation. He stated that the word 'temporary' applies only to the occasional services and not the regular services in the new legislation, noting the apparent contradiction in the previous rules in referring to temporary regular services. He suggested that it would be useful to revisit the question of cabotage operation in the market once the new rules were established in 2-3 years' time.

Rafael Barbadillo of ASINTRA (Federación Española de Transporte de Viajeros) said the study was an important first step, particularly in recognising the coach sector separate from the road haulage sector. He observed that the lack of statistics for the sector was a significant problem. In particular the relative safety of the mode could be better presented to the public.

He noted that EC Regulation 1370/2007, which comes into force later this year, will limit concession lengths and improve access to the market.

He pointed out that there are 1500 concessions in Spain at a regional level, connecting over 3000 villages and towns, all at no cost to the taxpayer. Coach had also been able to compete successfully with high speed rail, for example between Madrid and Seville. He noted that coach companies from other EU Member States were free to compete for concessions in Spain, whereas a Spanish coach operator was not able to compete in the markets of other Member States. This lack of reciprocity was inherently unfair.

He noted that customer satisfaction surveys completed in Spain indicated that coach is viewed very positively as a mode of transport by the customers. Offering Wi-fi and other facets of a premium quality, the coach industry offered consumers a high standard.

A quota on permits was changed in 1998 limiting access to the market for companies with less than 5 vehicles and 19 seats.

John Gilbert (Eurolines UK) reiterated the calls for better statistical data, saying that this was critical for the development of the industry, and would allow the industry to defend its extremely good safety and environmental credentials, as well as to lobby in various sectors for progress in market opening. John Gilbert showed that it was necessary for clearer comparisons with respect to restrictions in some countries, as these restrictions prevented a clear picture of the market.

John Gilbert noted that National Express is the largest operator and that it is possible to compete with low-cost airlines, although this is difficult on routes over 2,000 km. He cited the example of routes to the Baltic States, where market share was initially lost to low cost airlines, but that baggage restrictions on airlines caused some passengers to switch back. Through interlinking and networking, for example through the Berlin terminal, it is possible to offer a frequent service. He reiterated the plea for the Commission to review the restrictions on cabotage - cabotage would allow a more sustainable operation.

Enrico Grillo Pasquarelli responded that companies must make applications for cabotage services and then make complaints to the Commission if they are refused access by a

Member State. The new rules allow for cabotage without the use of the word temporary, giving Member States the possibility to refuse only in limited circumstances.

7. Peter Robinson and Simon Smith then gave the second presentation, relating to terminal infrastructure and the extent to which access to this infrastructure limits access to the market.
8. Discussing the terminal presentation, Chantal Lezineau of the International French Road Haulage Association asked how the choice of case study countries had been made, as well as how the building and operation of terminals was financed.

Simon Smith responded that the terminal case study countries were the same as the case studies for the data collection part of the study. These were chosen to reflect a variety of different market characteristics, GDP, and extent of rail network. The financing of terminals was not within the scope of the study, but it varied significantly; for example, Victoria coach station in London is owned by the public transport authority (Transport for London), but operated for a profit, whereas in Madrid the terminal is operated as a concession.

Rafael Barbadillo noted that there are wider issues of restriction of access to terminals in Madrid, in particular capacity constraints. He described the success of the terminal in providing good intermodal links and a high quality of facilities.

Simon Smith commented that there were some examples where operators had chosen not to use terminal facilities even where these were available, dropping off passengers on the street instead, and so terminals are not always as important as one might expect.

Oleg Kamberski commented that passenger rights legislation would change the context in which terminals operate. He also noted the variety of financing models across Europe, including terminals funded by trade associations, coach companies and public bodies. He highlighted Istanbul, where the largest terminal in Europe was built at a cost of €170m by a trade association. This is a model for infrastructure of its kind. He suggested that there should be TEN-T funds for terminals given the importance of this infrastructure.

John Gilbert noted that some key cities which were not part of the research, such as Paris and Amsterdam, have very poor provision. While there are some good examples across Europe, of the 500 or so terminals served by Eurolines, only around 100 are of a good standard. Similarly, in Strasbourg, the coach operators have to use a patch of wasteland as the local authority will not allow them to use the bus station; there was a similar situation in Lille. In Vienna, the coach station is controlled by the state railway (ÖBB), which can block access for coaches which are potential competitors.

If available, Eurolines prefers to use terminals, given the better facilities then available to passengers, and access to intermodal transport links. Where this has not been possible, Eurolines have built a number of their own terminals, but these are usually outside of city centres.

He noted that while operators can prefer to pick up and drop off on street, this is usually due to costs. However in his view street pick-up/set-down is not safe. It is also not sufficient for passengers with reduced mobility.

9. Simon Smith presented the conclusions of the accident analysis and the critical review of the study on the 12 day rule.
10. Szabolcs Schmidt emphasised that the review of the PwC report on the 12 day rule was a critical review. He highlighted that the proposed rules agreed by IRU and the European Transport Workers' Federation (ETF) (for example provisions on night-time driving) are

consistent with the findings of the study.

Christina Tilling of ETF said that the new conditions included with the re-introduction of the derogation were particularly important, notably; one single international occasional journey, precautions for night driving, the digital tachographs deadline for enforcement, and the requirement for the doubling of rest days after 12 days work. The safety impact should be minimised with these additional conditions on the use of the derogation.

Patrick Van Impe, CEO of Busworld, said that the nature of truck and coach driving is different, and therefore rules on rest times should also be different. This had been addressed in the “A Bus Is Not A Truck” initiative which they launched in 2007. He questioned the need for the single trip reference - he thought it was not clear why a single 10 day trip should be different from two consecutive 5 day trips. Szabolcs Schmidt said that the key difference was that if there were two trips, there should be no difficulty in the driver returning home

Rafael Barbadillo also emphasised the need to differentiate between goods and passenger transport, emphasising the importance of safety, and the importance of maintaining links with hard-to-reach geographical locations. He believes that Regulation 561/2006 has had a negative effect, particularly given the need to compete with low-cost airlines.

Oleg Kamberski also emphasised the importance of safety, and suggested that a further study should be undertaken that focuses on the accident causation. He informed that IRU is developing a safety programme by end of 2009/10, which will include both a technical and a human-factors element. The programme is looking at issues such as a safety checklist for drivers, causes of coach accidents, and he stressed that the industry had a vested interest in ensuring that the coach mode is perceived as the safest and most environmentally friendly form of transport in terms of its market position.

11. Christina Tilling commented that the study represented a good start to looking at the industry but that there should be more focus on the social sustainability of the sector, particularly; turnover of labour, training of drivers and retention of skills, social sustainability, health concerns, appreciation of issues facing drivers such as violence, and the ergonomics of vehicles linked into the age of the fleet. Christina Tilling noted that some the European Health and Safety Agency may have data on some of these areas, which should be included in any future work on this area.
12. In his closing remarks, Szabolcs Schmidt requested that stakeholders provide comments by 8<sup>th</sup> May to Peter Robinson at [peter.robinson@sdgworld.net](mailto:peter.robinson@sdgworld.net). He noted that the final version of the report would be published.