

Exploratory Study on passenger rights in the multimodal context

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Executive summary

1.1 Introduction

Since its establishment in 1990, the Trans-European Transport Network (TEN-T)¹ has aimed at developing and implementing a comprehensive network of roads, railway lines, inland waterways, maritime shipping routes and ports, along with airports, railway stations and bus & coach terminals.

Together with the development of the transport network and infrastructure, the 2001 White Paper on the EU transport policy² also identified the promotion of passenger rights across the European Union as an essential element for fostering the mobility of citizens. This paved the way to the adoption of a set of five regulations, each governing a mode of transport and also including specific provisions in respect of the rights of passengers with reduced mobility and disabilities (PRM):

- ▶ The air and rail modes were covered first, respectively through Regulations (EC) No 261/2004, No 1107/2007 and No 1371/2007.
- ▶ Later on, the passenger rights were regulated within the waterborne and road (bus & coach) transport modes, respectively through Regulations (EC) No 1177/2010 and No 181/2011.

In the 2011 White Paper on transport³ the Commission underlined that the wider use of collective modes of transport would also require an appropriate set of passengers' rights. In 2015, the European Parliament called in a resolution for a proposal covering multimodal journeys with a clear and transparent protection of passengers' rights in the multimodal context taking account of the specific characteristics of each transport mode, and integrated multimodal ticketing.⁴ More recently, the Commission decided to examine whether a more **comprehensive approach**, to protect passengers using various modes of transport, would be needed⁵ and conducted a public consultation to test the overall level of awareness and transparency about passenger rights and individually in the various multimodal solutions. Results⁶ showed the actual need for more transparency and a better understanding of actual passenger rights.

Overall, the EU Transport policy is currently evolving to take into account the **development of multimodal transport**. This entails acknowledging the various dimensions and problems related to **infrastructure, digitalisation, information and the protection of passenger rights**. While Directive 2010/40/EU⁷ provided a legal framework for the development of Intelligent Transport Systems (ITS), effective information systems and collection of traffic data throughout all modes of transport, the passenger rights' acquis remains mode-specific.

The mode-oriented approach of the five existing regulations can potentially lead to legal gaps and, overall, an insufficient coverage of passenger rights in a multimodal context.

This support study focuses on identifying those legal gaps and proposes solutions to fill them. It should be noted that the scope of the study does not include factors such as the quality of infrastructure or the cost of travelling. The availability of data also constitutes a limitation in terms of both the scope and the detail of the analysis.

This being said, it should be noted that 98.5% of multimodal journeys considered in the scope of this study have an air transport component, with a large part of these journeys being international (intra-EU

¹ More information on https://ec.europa.eu/transport/themes/infrastructure_en.

² *European Commission - European transport Policy for 2010: Time to decide - COM (2001) 370 final.*

³ COM (2011) 0144 final.

⁴ European Parliament Resolution of 7 July 2015 on delivering multimodal integrated ticketing in Europe (2014/2244(INI)).

⁵ The 2011 Communication on a *European vision for passengers' rights in all transport modes* established a synthetic summary of the rights and principles which apply to all modes. A list of 10 rights was established.

⁶ Regarding the results see <https://ec.europa.eu/eusurvey/publication/2017-pax-rights-multimodal-transport>.

⁷ Directive 2010/40/EU of the European Parliament and of the Council of 7 July 2010 on the framework for the deployment of Intelligent Transport Systems in the field of road transport and for interfaces with other modes of transport.

or intercontinental trips). This observation highlights the need to consider this matter at EU level with a view to addressing the identified gaps and challenges.

1.2 Scope and methodology

1.2.1 Scope

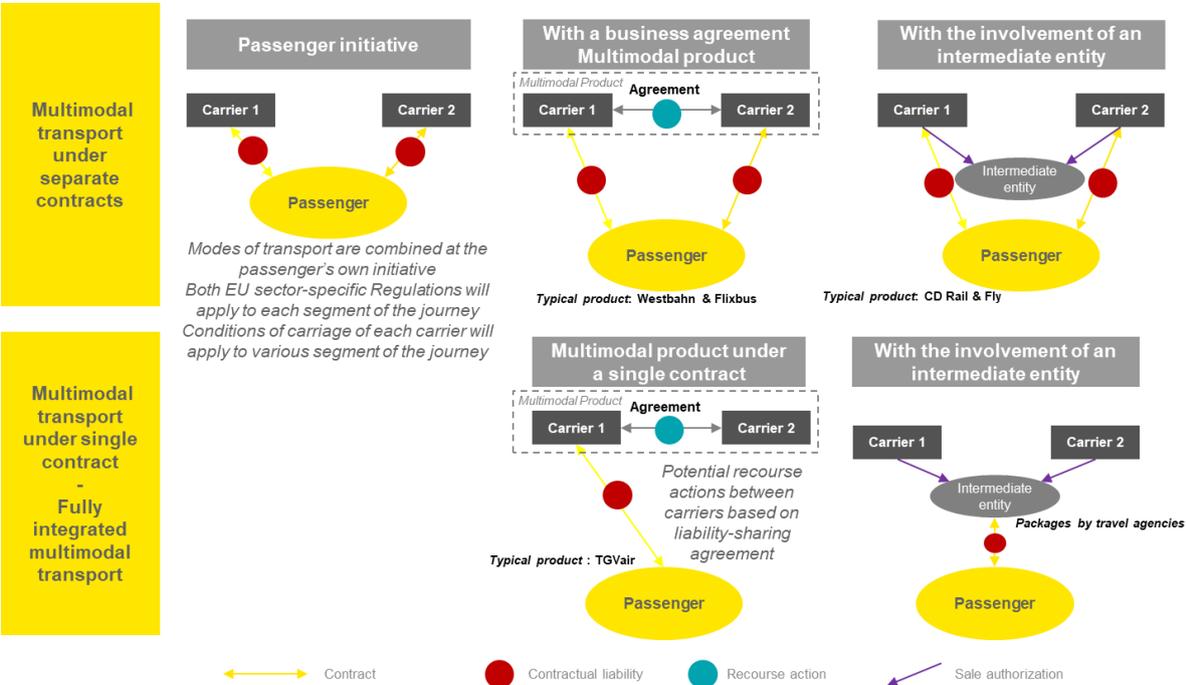
Typology of multimodal transport contexts

This study focuses on the problems faced by passengers in case of multimodal journeys, particularly when they travel with different transport modes under a **single transport contract**. It also examines the extent to which passenger rights also require protection as regards multimodal journeys under **separate transport contracts**.

As described in Figure 1, the study distinguishes five typologies of multimodal contexts:

- ▶ There are three sub-categories of multimodal transport operated under **separate contracts**: (i) separate contracts between the passenger and carriers, combined as a multimodal journey at the passenger's own initiative (typology 1); (ii) separate contracts between the passenger and carriers resulting from an agreement between two or several carriers to offer a multimodal product (typology 2); and (iii) separate contracts between the passenger and carriers but being offered to the passenger via an intermediate entity (such as an online seller for instance) (typology 3).
- ▶ There are two sub-categories of multimodal transport operated under a **single contract**: (i) single contract resulting from an agreement between two or several carriers to offer a multimodal product, in which one of the carriers acts as the single contracting party towards the passenger. In such a case, provisions regarding liability-sharing are included in the agreement between the carriers concerned (typology 4); (ii) single contract consisting of a product offered by an intermediate entity (such as an online seller or a tour operator for instance), which includes transport services by all carriers involved. The passenger concludes a transport contract with the intermediate entity (typology 5).

Figure 1 Mapping of multimodal contexts: terminology framework



In terms of geographical scope, the study covers all EU-28 Member States. Given the volume of multimodal passenger traffic, 12 Member States have been more specifically targeted for both the

legal and the market analyses: Austria, Belgium, Czech Republic, Finland, France, Germany, Italy, Poland, Spain, Sweden, the Netherlands, and the United Kingdom⁸.

It should be noted that urban and local transport services are excluded from the scope of the study even where they are part of a single multimodal transport ticket. The study only examines regional transport services where those services are covered by existing EU passenger rights legislation.

1.2.2 Methodology

The methodology for the study was inspired by the Better Regulation Guidelines of the European Commission and mirrors the following steps: (i) problem definition, (ii) identification of policy packages, (iii) analysis of policy packages, and (iv) comparison of policy packages and concluding remarks.

First, the study identified the **key challenges**. It shed light on a lack of data on the subject⁹, and indicated the potentially limited effect of the passenger rights on the development of multimodal transport¹⁰. Multimodal transport is by its nature a complex issue, both from a legal and from a market standpoint.

In this context, the methodology was designed to identify the existing problems and, in particular, **persisting legal gaps, with regard to passenger rights in a multimodal context**.

An important effort was dedicated to data collection through:

- ▶ **Various data collection tools in order to reach all concerned stakeholders:** 61 interviews with representatives of passengers, industry operators and administrative bodies, completed with a thorough review of the data available through the ECC and EDCC databases. Moreover, the Open Public Consultation conducted by the Commission (184 responses) and the 101 answers to the legal EY survey were also analysed.
- ▶ **A specific consultation** dedicated to the validation of the assumptions was also used for the analysis of effects of policy packages.
- ▶ Finally, **targeted desk research and interviews** were conducted in order to provide additional information on 12 Member States as well as main multimodal products.

Data collected on the market size are robust and comprehensive. Nevertheless academic literature and stakeholders were not able to contribute to measuring the potential effect of strengthened passenger rights onto passengers' behaviour when travelling multimodal. This has therefore been addressed by formulating assumptions and carrying out a sensitivity analysis on parameters, with a high level of uncertainty. Based on the information available today, the analysis of the effect of policy packages remains too uncertain to support definitive findings.

Main assumptions include:

- ▶ The level of awareness of passengers on their rights
- ▶ The percentage of passengers looking for redress when facing disruption
- ▶ The percentage of claims converted into compensation
- ▶ The level of compensation in a multimodal context (aligned on a given mode or a mix between the rules of several modes)
- ▶ The market share of single contracts

⁸ These 12 Member States were selected in the Terms of Reference of the study. In the analysis, for air-rail and air-coach market segments, the 32 biggest airports of those 12 countries were selected. Those 32 airports represent 98% of the total air traffic in the EU (excluding national traffic); therefore focusing the analysis on this geographical scope looks reasonable.

⁹ "[A]n in-depth analysis and segmentation of the multimodal travel market's demand side cannot be performed because of a lack of appropriate data at a European level." All ways travelling, 2013.
<https://ec.europa.eu/transport/sites/transport/files/themes/its/studies/doc/20140812-july9thversion-awtfinalreport.pdf>.

¹⁰ Chiambaretto, 2013. The willingness to pay of air-rail intermodal passengers.
https://docs.wixstatic.com/ugd/b29463_bd86a8b719154bc4b7679d8080b57f58.pdf.

1.3 Need for action

1.3.1 What is the market size?

The total multimodal market¹¹ is estimated at approximately **65.7 million passengers in 2016**, out of a total of 10.6 billion passengers¹² carried in the EU by air and rail, on a yearly basis. The passenger air-rail market segment represents 65% of the multimodal market (around 43 million passengers) and around 7% of total international air traffic in the EU¹³. Passengers using single contracts represent only 5% of these 65.7 million passengers of the multimodal market¹⁴, with a bit more than 3.3 million passengers per year. 95% of the multimodal market is accounted for by typologies 1, 2 and 3 combined, i.e. multimodal journeys using separate contracts.

Based on the feedback from interviews¹⁵, the air-rail market can be considered a mature market. Given the expansion of that market overall, it is expected to grow by 2.9% per year until 2030. On the other hand, the air-coach market is still emerging with the development of new coach services, and sometimes competing with air-rail market, it is expected to grow by 2.8% per year. The rail-coach market is relatively low, and there is no significant growth expected by the stakeholders. The market combining a trip in ferry and another mode of transport is marginal.

Table 1: Synthesis of market size (for all segments) 2016 - 2030

Segment	Air – Rail	Air – Coach	Rail – coach	Ferry + X	Total
Multimodal products based on single contracts	2.1	1.1	0,0	~0	3.3
Multimodality based on separate contracts	40.6	20.9	0.9	~0	62.4
Total	42.7	22.1	0.9	~0	65.7
Expected annual growth from 2016-2030 (in %)	2.9%	2.8%	0.8%	~0	2.8%
Total expected in 2030	63.7	32.3	1.1	NA	97.0

Source: EY estimation based on Eurostat and data from interviews

1.3.2 What are the legal gaps?

The existing EU mode-specific regulations **have a clearly defined scope**, which leaves little room for a broad interpretation covering multimodal transport. In the absence of a specific legal framework at EU or national level regulating passenger rights in multimodal transport, **the protection and guarantees** currently provided for passengers **are only mode-specific. In a multimodal context, they are mostly based on contractual terms**, with a number of **legal gaps** or “grey zones” which are currently not covered by the European regulations:

- The absence of harmonised standards throughout mode-specific regulations does not affect the right in access to transport, especially in the case of PRMs, but may expose passengers to

¹¹ The total multimodal market is covering both single contracts and separate contracts.

¹² Based on Eurostat statistics. Note that this is not perfectly comparable with total multimodal market as (i) rail traffic includes local transport services by rail which are out of the scope of this study and (ii) statistics do not distinguish bus and coach traffic, therefore there is no data available for coach traffic.

¹³ Based on Eurostat statistics.

¹⁴ It is not possible to differentiate the market share of typology 4 (single contract resulting from an agreement between two or several carriers) and typology 5 (single contract consisting of a product offered by an intermediate entity, such as an online seller or a tour operator for instance). The “Impact Assessment Accompanying the document on package travel and assisted travel arrangements, amending Regulation (EC) No 2006/2004I and Directive 2011/83/EU and repealing Council Directive 90/314/EEC” provides an insight on the size of the market for the combined travel arrangements and pre-arranged packages, which represented 260 million trips in 2010. But there is no information on the number of those trips which include multimodal transport.

¹⁵ Feedback on this specific issue was provided by train operating companies and airport infrastructure managers.

particular difficulties and aggravated consequences as they might be unable to complete their journey, for example after having been denied boarding based on security motives in one mode but not in another. Concerning **PRMs' right to information and assistance**, carriers or terminal management bodies have no obligation to inform PRMs travelling under multimodal transport. This leads to a major gap, especially affecting assistance provided at connecting points.

- Legal gaps resulting from the absence of definition and coverage of multimodal contexts in existing mode-specific regulations mainly relate to the **right to redress and enforcement**. The absence of clear applicable rules and standards as well as the absence of competent structures leads to the inability for passengers to seek redress. In the current state of the legal passenger rights acquis, National Enforcement Bodies (NEB) are appointed based on mode-specific regulations and **most NEBs do not deal with multimodal transport**. The absence of specific legal framework regarding multimodal transport also leads to an **uneven level of protection from one Member State to another**, and European citizens to be denied equal guarantees and rights throughout the EU. The absence of specific rules set at EU level has also led national authorities to develop varying interpretations from one transport mode to another.
- Some of the problems encountered by passengers in ensuring enforcement of their rights as well as carriers when trying to define **liability-sharing agreements**, result from the **absence of harmonised standards** between existing regulations which mainly affect the way disruptive incidents are defined, as well as the way compensation scales are determined¹⁶. Discrepancies have an impact on the effective protection of passenger rights in case of multimodal transport, especially in the case of multimodal transport operated under separate contracts, which have been combined by the passenger. The absence of harmonised liability schemes, scales and calculation methods throughout various modes of transport affects carriers' ability to reach a satisfactory agreement when drafting liability-sharing agreements in the context of the multimodal products they offer, especially if those products fall under typology 2.
- Legal gaps also affect the **right to information**: while, in the current state of EU law, ticket sellers, terminal management bodies and carriers are obliged to provide passengers information regarding both the general aspects of the journey (passenger rights in general), as well as specific aspects (information in case of disruption, conditions of carriage), no such obligation exists regarding the specific aspects in case of multimodal journeys, such as connecting points, liability-sharing schemes and mechanisms.

In this context, **multimodal products based on a single contract generally offer a higher level of protection when the entire trip is contracted to only one carrier** (typology 4), as the contracting carrier will often take the measures to provide the necessary services. This is not the case for multimodal products involving contracting with two carriers (typologies 2 and 3), whilst passengers performing multimodal journeys performed under separate contracts (typology 1)¹⁷ are fully exposed to the above-mentioned legal gaps. Finally multimodal products based on a single contract with an intermediate entity offer variable levels of protection, based on whether or not it may fall under the Package Travel regime¹⁸ (typology 5): Should the multimodal journey add to another travel service and when the Package Travel regime applies, passenger rights' coverage will be high. Furthermore, due to

¹⁶ A more thorough and complete analysis of passenger rights as defined in the mode-specific regulations, as well as an overview table presenting the level of protection based on a mode-differentiated comparison, are provided in annex of the report.

¹⁷ It was not possible to assess the market share of Typology 1, but typologies 1 and 5 represent 95% of multimodal market.

¹⁸ Directive 2015/2302/EU of the European Parliament and of the Council of 25 November 2015 on package travel and linked travel arrangements defines the notion of organiser as any trader who combines and sells or offers for sale packages, either directly or through another trader or together with another trader, or the trader who transmits the traveller's data to another trader (article 3). As stated by the Directive, the main characteristic of the travel package is that "*one organiser is liable for the proper performance of all travel services*".

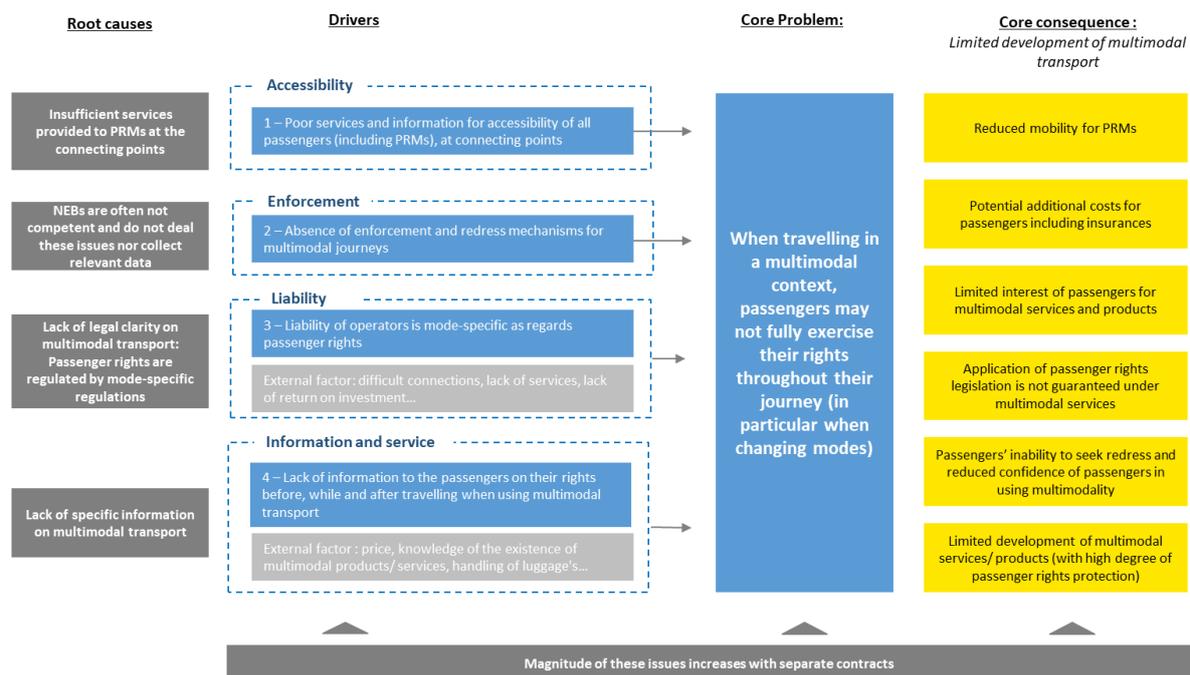
the fact that the organiser¹⁹ is solely responsible for disruptions which may occur during the journey, the liability scheme is simplified. In order to seek compensation or damages, the passenger will address the organiser. In other cases, passenger rights coverage will vary based on both carriers' conditions of carriage, as well as on the product's specific terms and conditions.

1.3.3 What are the problems?

Based on these observations, the core problem resulting from identified legal gaps can be summarised as follows (see Figure 2):

“When travelling in a multimodal context, passengers may not fully exercise their rights throughout their journey (in particular when changing modes)”.

Figure 2 Drivers, core problem and consequences



The core problem can be broken down into four sub-problems, or drivers:

- ▶ **Poor services and information for accessibility of all passengers (including PRMs) at connecting points.** As an introduction to the presentation of this issue, it is crucial to point out the fact that sector-specific EU legislations take into account the specific needs of PRMs when travelling. Not only are they protected against discrimination, but the European law also ensures them access to specific information and services. Similar coverage is still lacking in the case of multimodal journeys. PRMs are faced with even more difficulties when travelling multimodal than when travelling unimodal, as conditions of proper information and assistance are often not met at intermodal connecting points. When traveling under fully separate contracts, passengers will benefit from no legal protection (legal gap). When travelling under a multimodal contract, the passenger's coverage will depend on the terms and conditions. Based on the comparative product analysis, it appears that coverage varies immensely from one product to another. As a consequence, passengers are exposed to contractual gaps.
- ▶ **Absence of enforcement and redress mechanisms for multimodal journeys.** National

¹⁹ Directive 2015/2302/EU defines the notion of organiser: as a trader who combines and sells or offers for sale packages, either directly or through another trader or together with another trader, or the trader who transmits the traveller's data to another trader. From a liability standpoint, article 13 states that Member States shall ensure that the organizer is responsible for the performance of the travel services included in the package travel contract, irrespective of whether those services are to be performed by the organiser or by other travel service providers.

Enforcement Bodies (NEBs) are in charge of enforcing the mode-specific passenger rights regulations at national level and have no jurisdiction on multimodal and other transport modes, because of the lack of a proper legal basis appointing them as qualified office while passengers are not able to address the adequate authority in case a problem arises.

- ▶ **The liability of operators is mode-specific as regards passenger rights**, meaning that, in the absence of harmonised clauses and standard liability-sharing agreements, it is impossible to establish their responsibility, notably in case of disruptions but not only.
- ▶ **Lack of information to the passengers on their rights before, while and after travelling when using multimodal transport.** While sector-specific regulations provide clear information on passenger rights and describe clearly the content and nature of the information to be provided, such legal guarantees are not provided in multimodal context. Passengers will be faced with a legal gap (asymmetry of information) and will have to rely on (hopefully) appropriate contractual terms and conditions consistently with the products they have chosen. As a consequence, no informational standard is currently set and these rights may differ widely depending on the specific situation of the passengers (modes used, single or separate contracts, etc.), and the level of information passengers receive before, during and after travel is generally unclear and insufficient, whether they buy their ticket directly from the carriers or through intermediate entities such as online sellers.

The core consequences of the problem result in reduced mobility for PRMs, potential additional costs for passengers including insurances, limited interest of passengers for multimodal products and services, the application of passenger rights legislation is not guaranteed under multimodal services, passengers inability to seek redress and reduced confidence in using multimodal transportation and thus limited development of multimodal services/products (with a high degree of passenger rights protection).

1.3.4 How is the baseline defined?

For the purposes of this study, and in order to take into account the future revision of the air regulation 261/2004 on Passenger rights, **two baseline scenarios** have been taken into account.

The **main baseline**, which is in the focus of this report, considers that the **legislative proposal to modernize Regulation (EC) No 261/2004 on air passenger rights is adopted** with its components on multimodal transport. This means that should one leg of an air journey be carried out, in accordance with the contract of carriage, by another mode of transport, passenger rights would be ensured as under Regulation (EC) No 261/2004 throughout the whole journey²⁰.

Nonetheless, an **alternative baseline, based on the assumption that the proposal is not adopted** (at least regarding the multimodal part of it), has also been envisaged and analysed.

1.4 Potential solutions

1.4.1 Which measures have been considered?

Several policy measures have been considered to address the problems listed above. While an overall harmonization of passenger rights across all modes of transport would entail a comprehensive revision of the entire passenger rights legislation, this study has focused on the measures deemed to be the most realistic. They have been combined into four policy packages²¹:

- ▶ **The first policy package would be based on self-regulation.** Under this first package, the industry would be encouraged to adopt, on a voluntary basis, codes of conduct or good practices through information campaigns and meetings in collaboration with national bodies

²⁰ Indeed, based on the legal analysis carried out, it appears that, should the reform be adopted, single contract multimodal products offered by air carriers (typology 2) will be covered by the air passenger rights regulation. In order to counter this reform, air carriers will most likely shift their products from typology 2 to typology 3 (involving an intermediate entity).

²¹ These policy packages are not cumulative. The main objective of the measures is to provide a better information to passengers on their rights when travelling multimodal; therefore they cover all typologies (even though distributors of single contracts already have an incentive to inform on the guarantees offered by their products).

(including NEBs). These measures would, in particular, focus on carriers and service providers' good practices in terms of information provided to the passengers before and during the journey.

- ▶ **The second policy package would be based on soft-law measures**, such as guidelines and recommendations. More specifically, these would focus on ensuring that high-level standards of information to passengers are applied by carriers, traders and service providers. The Commission could also adopt guidelines and recommendations to allow carriers and terminal management bodies to fully inform passengers on the existing accessibility standards. In order to support the development of multimodal options based on single contracts, the Commission could provide guidelines to tackle legal uncertainties faced by carriers and service providers (standard clauses for liability-sharing agreements, contractual terms and conditions).
- ▶ **The third policy package would consist of a mix between soft-law measures and the revision of existing passenger rights regulations**. The existing regulations would be amended to extend their respective scope of application to multimodal transport. A focus on key areas of the multimodal market could be envisaged. Such a revision of existing regulations would allow extending information obligations on carriers, extending National Enforcement Bodies' competence to the enforcement of passenger rights in the multimodal context, including informing passengers on accessibility standards. Under this policy package, the legislative approach would come in addition to a number of soft laws regarding the development of single contract options for multimodal transport and data sharing obligations resulting from the Directive 2010/40/EU²² would be extended to multimodal itineraries. Finally, this policy package would rely on obliging all operators offering multimodal products to propose optional additional insurance as a way of covering specific risks related to multimodality.
- ▶ **The fourth policy package would be based on a mix between soft-law measures and the adoption of a new legislative instrument specific to multimodal journeys**. This new legislative instrument would include a comprehensive set of rules going beyond the revision of the existing regulations proposed under policy package 3: in each Member State, a National Enforcement Body (NEB) would be dedicated to multimodal issues. A European enforcement body, competent with regard to the rules set in the new regulation, could also be created. The creation of such a structure would make sense with regard to the international nature of journeys. Finally, the liability schemes of multimodal products under a single contract which would be based on the most protective standards as set in the existing mode-specific regulations. Under this policy package, the legislative approach would come in addition to a number of soft-law measures regarding the development of single contract options for multimodal transport. Finally, the new legislation would rely on obliging all operators offering multimodal products to propose optional additional insurance as a way of covering specific risks related to multimodality.

The packages were compared both quantitatively and qualitatively against the baseline.

Figure 3a on the left below presents the percentage of single contracts in 2030 for all the policy packages and the revenues related to insurance products. It shows that policy package 4 is expected to have the highest effect on the development of single contracts (market share of 17%), as it would offer the highest level of protection to passengers. As policy packages 1 and 2 are based on self-regulation and soft measures, there would be no obligation to inform passengers on their level of protection in case they buy their trip under separate contracts. Therefore, their capacity to make an informed choice would be limited compared to policy package 4. For policy package 3, as it is only based on the adjustment of the existing regulation both for enforcement and for information, the impact on the awareness of passengers is expected to be more limited²³, hence the share of single contracts is also expected to be smaller.

²² Directive 2010/40/EU of the European Parliament and of the Council of 7 July 2010 on the framework for the deployment of Intelligent Transport Systems in the field of road transport and for interfaces with other modes of transport.

²³ It would be much more complex for carriers, traders and service providers to identify all their obligations as they would be disseminated in several Regulations (covering many other issues). Therefore there is a high risk that passengers would be less informed with policy package 3 compared to policy package 4 – which has been translated into a smaller awareness of passengers travelling multimodal on their rights.

Figure 3 Key quantitative results of the analysis (main baseline)

Figure 3a - Development of single contracts, cost of assistance and expected profit on insurance products

Figure 3b – Net impact on operators, economic surplus and compensation for passengers

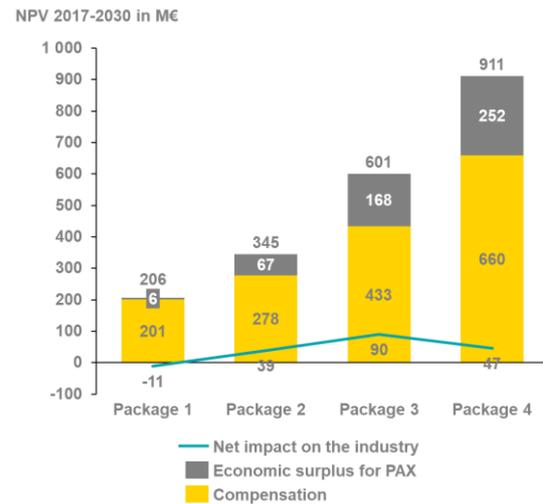
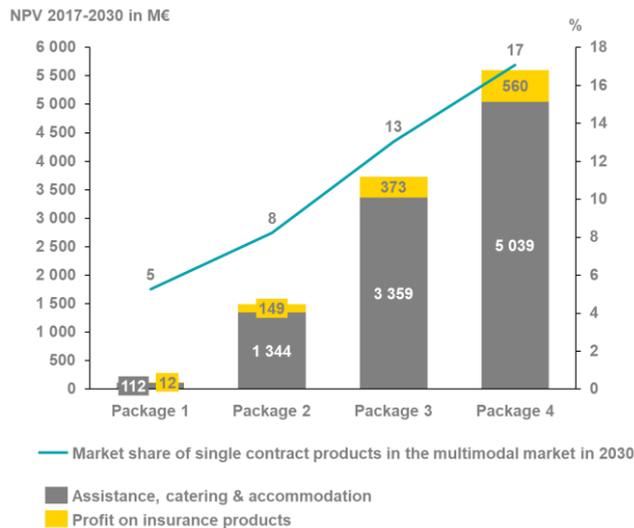


Figure 3b on the right represents the net impact on the industry (operators and insurance companies combined) and the impact on passengers²⁴. Based on the information available, policy package 4 would be the policy package providing the highest economic surplus and the highest level of compensation to passengers, while leaving a substantial profit to operators (incl. insurance companies). In policy package 3, economic surplus and compensations for passengers would be lower (601 M€ against 911 M€), but the net impact on operators would be doubled (90 M€ against 47 M€). This could be explained by the fact that in policy package 4, the market share of single contract would increase compared to policy package 3; therefore the profit related to insurance products would do so too, but not as much as compensation costs.

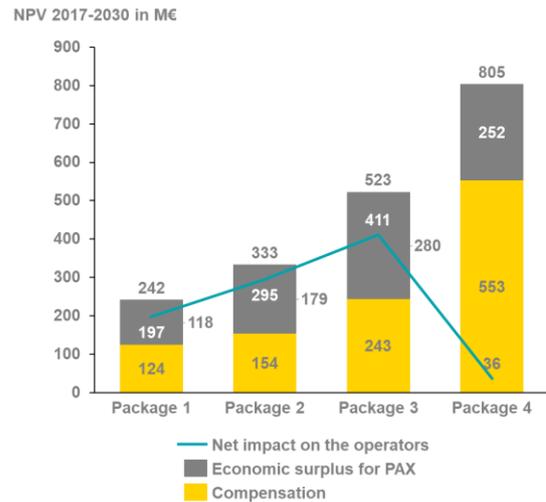
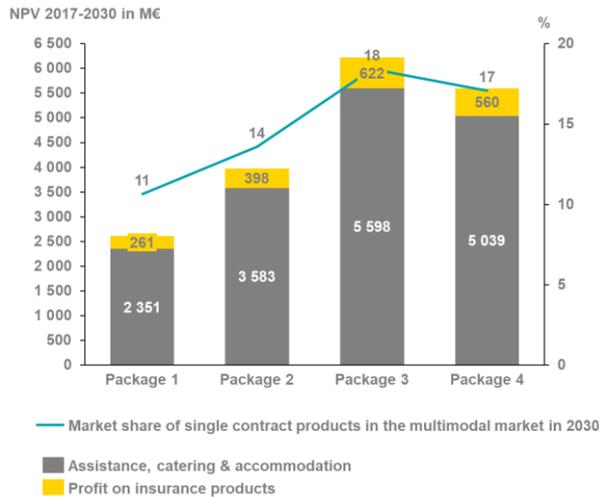
The results of the comparison against the alternative baseline are presented in Figure 4 below.

²⁴ Here we do not show the full impact on passenger welfare (which includes some transfers with operators) but only on two of its components: (i) the compensation received in case of disruption and (ii) the economic surplus linked to the guarantees offered by insurance products. The economic surplus represents the difference between the willingness of passengers to pay for new multimodal products including insurance fares and the price of those multimodal products.

Figure 4 Key quantitative results of the analysis (alternative baseline)

Figure 4a - Development of single contracts, cost of assistance and expected profit on insurance products

Figure 4b – Net impact on operators, economic surplus and compensation for passengers



1.4.2 What is the conclusion?

The analysis, relying on the data collected both at national and EU level, has helped gain insight on both the legal and economic aspects of passenger rights in multimodal transport. Given the number of assumptions stemming from data limitations, the examination of the effects of the different policy packages has been a challenging task. In the absence of further detailed analysis, and of univocal support from the stakeholders, it is difficult to draw any firm conclusions about any preferred policy package.

However, assuming that the legislative proposal to modernize Regulation (EC) No 261/2004 on air passenger rights is adopted with its components on multimodal transport (main baseline), considering all the points listed above and the assumptions referred to in the methodology policy package 4 could be considered as the most favourable option. This is supported as well by bearing in mind the fact that multimodal transport might change significantly in the coming years thanks to the development of digital platforms selling multimodal products. Indeed, the adoption of Regulation (EC) No 261/2004 on air passenger rights included in the baseline already represents a major improvement for passenger rights in the context of multimodal transport. Packages 3 and 4 only improve liability schemes for rail-coach, which is marginal compared to air-rail and air-coach. So the main difference between all options is the level of awareness of passengers, which is linked to the measures on information. As policy package 4 is expected to have the highest impact on this aspect, by creating a dedicated regulation on multimodal transport, it is in the end the best option considering as well the sum of all impacts on stakeholders.

For the alternative baseline, i.e. without the adoption of the proposed revision of Regulation (EC) No 261/2004, the results would be different. Indeed, the revised Regulation (EC) 261/2004 might deter air carriers from developing multimodal products, as they would be liable for the whole journey. With the alternative baseline, policy package 3 is expected to provide the best environment for the development of single contract products offering the best protection to passengers while leaving a substantial profit for operators. Therefore, policy package 3 could be considered as the most favourable option compared to the alternative baseline, with a market share of single contracts exceeding 18%.

1.4.3 Who supports which policy package?

Most of the industry is opposed to any policy package containing legislative measures – especially policy package 4, while they are more in favour of soft measures. Only a limited number of stakeholders are supporting a mix between policy packages 3 and 4. But as the market might change dramatically in the coming years, so could the position of the industry.

On the other side stand most of the consumer and passenger organisations, who support a mix between policy packages 3 and 4.

1.4.4 What is recommended?

As explained above, the analysis of impacts of policy packages remains too uncertain to support definitive findings. Therefore, as we cannot be sure that an action at European level would not hinder the development of multimodal transport today, the main conclusion that we can draw from this analysis is that it is better to wait and monitor closely the evolution of the market in the coming years, before taking any legislative action.