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NOTE

From:	Presidency
To:	Permanent Representatives Committee/Council
Subject:	Digital transport services for people: The next steps for sustainable European solutions – Policy debate

1. At the meeting of the Council (Transport) on 2 December 2019, Ministers will be invited to hold a policy debate on Digital transport services for people: The next steps for sustainable European solutions;

2. Subject to confirmation by the Permanent Representatives Committee, Ministers are invited to hold a policy debate on the basis of the background paper and questions in Annex.

Digital transport services for people: the next steps for sustainable European solutions

Decarbonising transport and mobility systems is a demanding challenge. At the same time, digitalisation, automation and the sharing economy are changing mobility and the transport sector as a whole. EU policy measures should seize the opportunity offered by this mix of factors and steer the development of digitalisation so that we can achieve more appealing, cleaner, safer and more inclusive passenger transport services that are also more efficient, offer a better service level and ensure access to mobility for all. Simultaneously, policy measures must help us reach our emissions targets, and they must improve the ecological, social and economic sustainability of the transport system.

The European Council, in its Strategic Agenda 2019-2024, emphasised the need for a more integrated approach connecting all relevant policies and dimensions. Its main priorities include developing a strong and vibrant economic base and building a climate-neutral, green, fair and social Europe. Digitalised transport services have major potential for delivering sustainable growth. The political guidelines of the president-elect von der Leyen for the next Commission put a strong focus on digitalisation. Digitalisation of the transport sector is essential in this context.

Digital transformation for transport

EU Member States are well positioned to develop and adopt sustainable digital transport and mobility services. Over the past year, all EU countries have improved their digital performance. EU Member States, on average, compare well with non-EU countries, and the top EU countries are among the best performers globally. However, digitisation is uneven across economic sectors and EU Member States, and the EU as a whole can do more to close the gap with the US, South Korea and Japan. There is still room for improvement.

Digital transport services, such as shared and optimised transport, together with automation of vehicles and traffic management, can have a significant impact. They offer great opportunities in urban areas, where approximately 75 % of Europeans live. However, the digitalisation of transport services can also provide sustainable solutions for rural or sparsely populated areas, for example in the form of optimisation of routes and shared transport.

In addition, digitalisation holds great promise in breaking down independent silos of separately regulated modes in the transport sector and in delivering mobility as a multimodal continuum of services, including across borders. Mobility as a Service (MaaS) allows travellers to meet their transport needs in an easily accessible and comprehensive manner. However, globally, non-OECD regions so far account for the dominant share of these new services.

Studies have examined the impacts of digital passenger transport services that are already operating, for example car-sharing, ride-sharing and new transportation network company (TNC) services. So far, moderate positive effects have been identified, such as a modest shift away from the use of private cars, a reduction in car ownership, and an increase in the use of public transport. Significant emission reductions have been calculated in hypothetical simulations and scenarios with optimised shared mobility and MaaS services supported by regulation. These results are promising and show that much can be achieved.

In order to reap the full benefits of digitalised transport services throughout Europe, the barriers to development should be identified and broken down. As indicated in the recent studies conducted by the Commission on EU-wide integrated ticketing and payment systems and on passenger rights in the multimodal context, the current legislative framework at EU level does not yet fully enable the formation of seamless, multimodal travel chains.

In addition, a holistic, integrated perspective and supporting policies are needed to achieve significant gains from the synergistic development of the sustainable service economy and digital transport services. With regard to the Single European Sky for instance, digital innovations can enhance safety, capacity and efficiency, allowing more on-time traffic to be accommodated with a reduced environmental footprint. Cross-border interoperability is also essential if we are to avoid the emergence of new digital barriers in the single market and in our common transport space.

If digitalisation is applied to multimodal transport services correctly and in a holistic way, a great leap towards 'optimal transport' can be achieved. Optimal transport can be defined as the unencumbered transport of passengers or goods from A to B in a way that is optimal from an economic, environmental, social cohesion and health perspective, through seamless use of a combination of the most appropriate modes of transport.

Data as a renewable fuel for digital transport services

Digitalisation, automation and artificial intelligence are profoundly changing the way we produce, consume and travel. New digital mobility services can improve efficiency at a systemic level and make better use of public and private assets. The best solutions may be found through cooperation between the public and private sectors and service providers, utilising research and technological development. Having a vibrant transport sector and thriving businesses is in the interests of consumers and society as a whole. The Strategic Agenda 2019-2024 emphasises that the EU should provide economic and social actors with the space to create and to innovate.

In addition, the development of new digital mobility services entails the collection of high-value travel and traffic data. To enhance the efficiency of the transport system as a whole, it is vital to ensure that this data can be accessed and re-used in the public interest. In ticket distribution for all modes, for instance, digital innovations can offer an improved passenger experience and better comparability of travel options, including between modes, but regulatory action may be required in order to ensure appropriate data access and consumer protection.

A customer-oriented approach based on data use, and with the aim of developing the markets, has the potential to break down silos between different transport modes and transport providers and across borders, thereby creating new business opportunities for European companies, including both those already operating in the transport sector as well as those entering the sector. New digital mobility services should make daily life easier for as many people as possible, regardless of their physical disabilities or where they live, and should increase social inclusion. In order to provide for socially sustainable digital transport services, we need to address the accessibility and affordability of these new services. Simultaneously, it is in the general interest to ensure that the most sustainable modes of transport are promoted in a fair, transparent and non-discriminatory manner.

At the moment, market development of new transport services can be hindered by issues around access to and centralisation of data. For example, it has been suggested that at least three kinds of information should be made available to create EU-wide 'integrated travel chains' that are operational and easy to use: schedules, fares and seat availability.

However, in order for digital transport services and especially multimodal travel chains to develop effectively, third parties should also be able to sell tickets, offer new services and develop new business models. For this reason, there is a need to introduce some regulation at EU level in order to avoid national fragmentation and ensure a fair, level playing field. Naturally, all legislative initiatives should be backed up by a comprehensive impact assessment in line with the better regulation policy.

To make everything run smoothly, access to predefined data sets and to certain ticketing products, for example, should be provided on fair, reasonable and non-discriminatory terms, through an open interface in the information system. Data is the renewable fuel of digital transport services and therefore the availability and usability of data should be a high priority.

Future-proof transport services

The Commission's communication 'A Clean Planet for all: A European strategic long-term vision for a prosperous, modern, competitive and climate-neutral economy' emphasises that improving the efficiency of the transport system is crucial in working towards clean transport. Digitalised transport services can be a key element of this work.

It is essential that the transition to a climate-neutral economy and society is both fair and promotes European competitiveness. Therefore, it is crucial to focus our attention on how Europe can break down the obstacles to digitalisation, stimulate and enable the necessary development and innovation, and create an environment where innovative, sustainable, people-centric transport services thrive.

Questions:

1. What additional measures should the EU take to support the development of sustainable, digital transport services throughout Europe? What are the most urgent measures that we should address at EU level over the next five years?

2. What are the main obstacles to digitalisation and to the availability and usability of data, and how can we overcome them?