

## **IRU ANSWERS**

### **ON THE EU COMMISSION'S QUESTIONS IN**

#### **The Working Paper on Rights of Passengers in international bus and coach transport**

#### **BACKGROUND**

The EU Commission launched a consultation on 14 July in the field of rights of passengers in international bus and coach transport in which 49 questions were raised. The deadline for answering the questionnaire is 14 October 2005.

The International Road Transport Union (IRU) is an international non-governmental organisation which was established in Geneva in 1948. It groups, at world level, organisations and undertakings concerned with road transport for hire and reward and own account (road freight and passenger transport by bus, coach and taxi). Currently it has 167 Member Associations in 70 countries worldwide including Member Associations in each of the 25 Member States of the European Union.

Since 1973, the IRU has a Permanent delegation to the EU in Brussels.

The IRU consulted its European Union Members on the Commission Working Paper and used their input to provide answers to the questions raised.

#### **1. The Need to Regulate (questions 1-2):**

The absence of EU legislation on passenger rights in bus and coach transport does not mean that bus and coach operators do not grant rights to their passengers.

Bus and coach operators already grant many of the rights mentioned in the European Commission's working document, such as assistance to mobility-impaired people, vehicle and service quality standards, compensation, complaints and passenger information, on a voluntary basis.

Other rights are clearly defined in EU legislation (motor vehicle insurance and third party liability), international agreements and national legislation (liability in case of accident and baggage loss).

No additional regulatory measures should be imposed that unnecessarily increase the financial burden on bus and coach operators.

Priority should be given to the simplification, harmonisation and better application of existing rules and to the creation of incentives encouraging industry-driven initiatives. These initiatives, designed to improve rights of passengers, include improving accessibility of touring coaches, establishing better compensation schemes and setting quality, safety and comfort standards for passengers.

#### **2. Scope of the Regulation (questions 3-4):**

If EU legislation which will lead towards harmonisation, simplification, clarification and better application of national rules in the field of passenger rights for international bus and coach transport, is to be considered, it should be limited to international long-distance services by bus and coach.

Domestic services should remain subject to national legislation.

#### **3. Liability Schemes (questions 5-13):**

Liability standards are already extremely high, making it difficult for many private bus and coach companies to obtain adequate insurance coverage for their operations. For example, for international bus and coach services, operator liability towards passengers and baggage is unlimited in the vast majority of EU Member States.

Although the UNECE CVR Agreement gives the possibility to limit liability at 300000 euros in case of injury or death and to 2400 euros in case of baggage loss, it has only been ratified by the Czech Republic, Slovakia and Latvia. Other EU Members States have refused to ratify the CVR because their national legislation lays down higher standards.

EU Motor vehicle insurance legislation already covers damage to the vehicle and other property as well as injury or death of passengers and other road users. The recent Directive 2005/14 on motor vehicle insurance considerably increased the minimum amounts to be insured and further widened the scope of operator liability to include pedestrians and cyclists.

Simplification, harmonisation and better application of existing rules in the field of liability in case of an accident and baggage loss is needed. It is important that a level playing field is created between the different passenger transport modes, road, rail and air. Therefore it should be considered to introduce a maximum liability ceiling for all passenger transport modes.

#### **4. Cancellation, denied boarding and interruption of the journey (questions 14-15):**

Denied boarding and overbooking are phenomena that do not exist in international bus and coach transport and EU legislation already offers the flexibility to put extra vehicles in service when demand is high.

It is also common practice in the bus and coach industry to organise replacement vehicles in case of an interruption of the journey or to organise accommodation or the repatriation of the passengers.

#### **5. Significant delays (questions 16-18):**

Significant delays are very often caused by circumstances beyond the control of the bus and coach operator, such as road maintenance work, border controls or road-side inspections. It is doubtful whether operators should compensate passengers for delays which are beyond their control.

#### **6. Persons with reduced mobility (questions 19-27):**

In the field of accessibility for mobility-impaired people, a clear distinction must be made between scheduled services and occasional services (tourism in pre-composed groups). For scheduled services, EU Directive 2001/85 lays down that all urban buses must be fully accessible. Currently, solutions are being examined (COST 349 project) to provide adequate means of ensuring full accessibility to long distance scheduled services.

For occasional services, the client may choose the type of vehicle needed for the service, and can determine the required service quality level directly with the operator. Several operators in Europe already have fully accessible coaches in their vehicle park, which can be used for many types of journeys.

#### **7. Quality standards (questions 28-30):**

A long tradition of self regulation exists in the bus and coach industry - especially for international bus and coach services. This includes the setting of quality standards, such as safety and comfort on board the vehicle and the provision of luggage services for passengers. Clients can choose the quality level they prefer. Such industry-driven initiatives could be further encouraged by providing incentives for operators to raise the safety and service quality standards for passengers.

#### **8. Information obligations and complaint handling (questions 31-46):**

Compensation for cancellation or significant delays, passenger information and complaint handling are already included in quality standards offered by bus and coach companies through self regulation. However, it is doubtful whether operators should compensate passengers for delays which are beyond their control.

#### **9. Self-regulation (questions 47-48):**

Innovative industry initiatives in general produce better results than rules imposed by authorities, especially in the field of quality standards.

The European Commission should provide more incentives and support to operators and their trade associations to encourage them to innovate and raise quality standards for passengers. One significant incentive would be to create a level playing in the fiscal domain, where distortion of competition still exists in the field of VAT on turnover and in energy taxation between the bus and coach, rail and air sectors.

Whereas international bus and coach service are run on a profitable basis, without state intervention, rail and air still depend on direct or indirect government support. All long-distance passenger transport modes should be self-sufficient and profitable, without having to rely on direct or indirect government support.

#### **10. Integrated ticketing (question 49):**

About 85% of companies active in the international bus and coach market are privately-owned, small and medium-sized enterprises. Some work via tour operators and travel agents for the organisation of ticketing and travel; others - especially in international regular services - provide their own ticket services. Integrated ticketing systems including all modes of transport are known to be expensive to set up and maintain.

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