Development of Integrated Ticketing for Air and Rail Transport

Answers to the questionnaire of the public consultation document of the European Commission services Directorate-general "Energy and Transport"

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Part 1: Scope of air-rail integrated ticketing

Question1:

What is in your opinion the market potential for these services?

DB believes that intermodal mobility and seamless travel is one of the key elements of customer needs in the future. Therefore DB already established a multitude of activities in this field (like Touch and Travel, City Tickets etc.).

DB continues to improve seamless travel solutions and develops various instruments in Germany in order to facilitate the transfer of passengers.

Intramodal systems for an integrated ticketing within the same sector, like it is envisaged within the high-speed alliance Railteam, are in an advanced stage of defining solutions to such challenges. In that particular case, seven European RUs are working on offering easy ticket solutions (e.g. print@home, following UIC 918.3) to their customers for both, national as well as border-crossing tickets. Railteam's vision foresees Europe-wide purchasable tickets via automated sales channels like the internet as well as face-to-face in ticket offices and others. It is planned additionally to consolidate multi-leg journeys on one ticket.

But also for the transfer of passengers from a transport mode to another there are some more services beyond the mentioned AIRail-service:
Currently there are about 80 Rail&Fly contracts between DB and airlines, which provide flight-services to and from Germany. The airlines offer the train ride from/ to any of the 5.600 German railway stations to/ from the airport as an additional service to their flights. The offer contains high speed trains as well as regional trains to 15 German airports plus Basel and, in cooperation with NS Hispeed, to Amsterdam Schiphol. For the train ride the airlines issue one flight coupon per direction in the flight documents. DB accepts these flight coupons as train tickets.

Additionally there are codeshare contracts between DB and four airlines providing intercontinental services. The airlines offer selected trains in the high speed net of DB to selected railway stations as connecting flights to their own services. The partner airlines provide the trains with own flight numbers in the reservation system.

The existing instruments facilitate remarkably the intra- and intermodal transport and provide an effective basis for further development in the promotion of intermodal transfer.

However, the possibility to obtain a single ticket is not critical for the success of such systems. More importantly is the availability of information on the various parts of the journey, travel options and prices.

Question 2:

What are your comments on the scope of integrated ticketing as proposed, as a first step, at point 5.1?

Do you think that the scope should be extended to other modes of public transport?

The current focus on high-speed connections is marked by its competition to air service rather than the complement to it at least if one takes European flights into account. Transcontinental flights of course are a different issue of discussion.

In Germany about 80 airlines provide train services from/ to any railway station in Germany as an additional service to their international flights. This example shows that it is not enough to focus on main stations and high speed traffic. With such a minimum scope customer's requirements would not be satisfied.

The scope of integrated ticketing as proposed does not really take into account the customer's demands. Especially an integrated luggage handling throughout the journey does not reflect the customer's wishes.

This assumption is underlined by a market survey, which was carried out within the Railteam-project. In seven relevant markets, customers in focus groups have been asked about their opinion about luggage-services. The overwhelming outcome was the irrelevance of such services to today's customer demands and wishes. To take that even one step further, it is often heard, that customers particularly appreciate the possibility to have their baggage with them in the train and have the power and command over such during the whole journey. Losses and delayed baggage with checked-in airline-baggage might be a driving force behind such feelings.

Question 3:

What are, according to you, the connections on which air-rail services are possible, in particular in relation to the criterion of the quality of the airport/railway station interface?

The integration of high-speed rail connections is not enough. Of course selected high speed connections are the first step to a customised offer. Our customers expect an extensive combination of air and rail for their intermodal mobility. The success of our Rail&Fly proves this objective.

Additionally more than 60% of the flight passengers live less than 100 km from the airport, where they start their flight. So it is essential to integrate urban traffic in the intermodal offer as well.

Part 2: Institutional framework

Question 4:

What is your opinion on the feasibility and the contents of the voluntary agreement as proposed at point 5.2?

Would you be ready to take part in it?

A voluntary agreement is best way to promote integrated ticketing. Intermodal mobility is one key focus of DB`s strategy. In view of the high market potential, rail companies and airlines have an interest in implementing instruments to enhance customer satisfaction.

Therefore, DB is ready to take part in such a voluntary agreement and to participate in drafting an agreement in a constructive way.

Nevertheless, the exchange of data has to be limited on what is necessary to provide an user-friendly intermodal transport chain, since Rail-transport contends with Air-transport.

It is essential to define the scope of the voluntary agreement in detail because of the different economic interests of the various participating organisations and the different markets, which may imply different solutions. Additionally the agreement has to determine minimum common standards for the development of the intermodal ticketing.

Part 3: Technical aspects of integrated ticketing

Question 5:

What are your comments on the technical solution proposed for the integrated air-rail ticketing and the operating mode of the system as described at point 5.3?

Do you see any problems related to it and if so, which ones?

Can you envisage any alternative solution which could be satisfactory as far as a swift and economical implementation is concerned?

Generally, it has to be differentiated between the ticketing and the information process. Both are different as the information can be separated from the ticketing process.

Basically the integration in GDS is useful – but only as one solution and mainly focused on reseller and agencies. The share of 40% of air ticket sale via internet illustrates the necessity to implement an internet solution for intermodal ticketing, ideally with home printing of the ticket.

Further on charter and low cost airlines hardly use the GDSs as a distribution channel.

Enhancing the GDS to fulfil all EU urban/regional transport options is likely to fail because to the "airport"-code logic. A complete redesign of the systems is needed if alternative door-to-door options are to be shown.

Furthermore, there is no need for a new rail GDS because we are going to implement the Railteam broker in 2009

Critical for the whole is the mutual acceptance of tickets. If this core requirement is implemented and guaranteed, it is not necessary to focus on one technical solution (like GDS).

In this area a functioning market exists (see www.verkehrsmittelvergleich.de). Therefore, in Germany mutual acceptance already exists in many cases. For example in case of a strike, the system „good for train" allows passengers to travel by train with their air-ticket without ticket-change (no voucher system).

Touch and Travel as universal access tool could be a solution to enhance integrated ticketing. This can be a prepaid fulfilment channel as well as an ad hoc train ticket.

It is also important to take into account the specific problems concerning the technical feasibility.

Especially a decentralised solution would allow more and more companies to adhere to the system.

Part 4: Project management

Question 6:

Which is the most appropriate management structure for the first phase of this project?

The most appropriate management structure would be a central project team containing the major rail, airline and GDS companies.

Because of the different economic interests of the various participants, first of all a common scope must be defined by finding a consensus based on expert's input.

Therefore, a survey on customer's demands has to be effected to identify the essential requirements for the intermodal ticketing (e.g. distribution channels, mode of ticketing and fulfilment, comparison between airline and railway offer, support for intermodal mobility).

Part 5: Operational aspects

Question 7:

Are the problems involved in air-rail integration mainly of an *operational* nature or are they rather related to the *distribution* of the product?

In the first case, please specify.

It is more a distribution problem. Only in the second stage, the implementation of mobility chain services (luggage handling, etc.) might there be a production problem arising.

Nevertheless, the problems are also of an operational nature (for example: the control of the legal use of the transport)

Question 8:

How important is it to travel with registered luggage on the entirety of the intermodal journey?

Which solutions do you envisage?

It is not that critical to travel with registered luggage on the entirety of the intermodal journey.

An easy solution would be to separate luggage transportation from people transportation. There exists a door-to-door service already today.

A customer`s survey by Railteam shows, that there is no market potential for integrated luggage transport (see above).

Lufthansa finished the luggage handling in the AIRail-system, because only a small percentage of the passengers used this service. The decision of Lufthansa shows that luggage handling has no high priority in intermodal travelling.

The customer's benefits are likely to be smaller than the handling is complex and expensive. It will be practically impossible to handle the luggage for all local connections.

Integrated luggage transport even can be disadvantageous for customers because of the higher costs.

Part 6: Your suggestions

<u>**Question 9:**</u>

Do you have further comments on the text of the document?

Do you have suggestions regarding action at Community level which was not mentioned in this document?

An agreement on integrated ticketing should first of all focus on the customer's demands. Therefore, it would be helpful to make a customer survey to identify the essential requirements for the intermodal ticketing (e.g. distribution channels, mode of ticketing and fulfilment, comparison between airline and railway offer, support for intermodal mobility).

The approach concerning the systems for integrated ticketing must take into account the competition situation between the different transport sectors.