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IMPACT ASSESSMENT REPORT

Accompanying the documents

Proposal for a Regulation of the European Parliament and of the Council amending Regulations (EC) No 261/2004, (EC) No 1107/2006, (EU) No 1177/2010, (EU) No 181/2011 and (EU) 2021/782 as regards enforcement of passenger rights in the Union

Proposal for a Regulation of the European Parliament and of the Council on passenger rights in the context of multimodal journeys

{COM(2023) 752 final} - {SEC(2023) 392 final} - {SWD(2023) 387 final} - {SWD(2023) 389 final}

Glossary

Term or acronym	Meaning or definition
ADR	Alternative Dispute Resolution, an out-of-court settlement procedure for consumers with the assistance of an impartial dispute resolution body
ASR	Air Services Regulation (Regulation (EC) No 1008/2008)
BSP	Billing and Settlement Plan is run by IATA, a global airline association. BSP is a system designed to facilitate and simplify the selling, reporting and remitting procedures of IATA Accredited Passenger Sales Agents, as well as improve financial control and cash flow for BSP Airlines.
CJEU	Court of Justice of the European Union
CPC	Consumer Protection Cooperation, a network established by Regulation (EU) 2017/2394 where national consumer authorities and the Commission can coordinate their investigation and enforcement actions to tackle widespread breaches to EU consumer laws
CRS	Computerised Reservation Systems are computerised tools that allow travel agents and online booking engines to get access to airlines' fares, schedules and seat inventories and to book tickets
ECA	European Court of Auditors
GDS	CRSs (computerised systems) are also known as GDSs (Global Distribution Systems)
IA	Impact Assessment
IATA	International Air Transport Association, the trade organisation for a majority of the world's airlines
ICAO	International Civil Aviation Organisation
MoR	Merchant of Record. An intermediary which is Merchant of Record books the passenger's ticket by making the payment to the air carrier from its own bank account. This is in contrast to 'pass-through agent' intermediaries, which pass on the customer's payment details (usually credit card details) to the carrier, so that the money for the ticket is withdrawn from the passenger's bank account (and any reimbursement payment can be made directly to the passenger by the air carrier, as the air carrier has the bank details of the passenger for this.) Also see the information in annex 11.
MS	Member State
NEB	National Enforcement Body
OPC	Open Public Consultation
PRM	Persons with disabilities and persons with reduced mobility
PTD	Package Travel Directive (Directive (EU) 2015/2302)
SSMS	Sustainable and Smart Mobility Strategy, the European Commission's mobility strategy
SME's	Small and Medium-sized Enterprises
TFEU	Treaty on the Functioning of the European Union

1 INTRODUCTION

1.1 Political and legal context

This Impact Assessment (IA) accompanies two legislative proposals aimed at introducing common rules on the enforcement of passenger rights, passenger rights for multimodal journeys and rules for reimbursements of airlines to passengers when intermediaries are involved.

Passenger rights are at the heart of the EU transport and consumer policy and are considered a flagship initiative of the EU. The European Union is the only area in the world where citizens are protected by a full set of passenger rights – whether they travel by air, rail, ship or bus and coach. A solid EU framework has been put in place for all transport modes since 2004, with the adoption of four Regulations for air, waterborne, bus and coach and rail, plus a fifth Regulation addressing air transport for passengers with reduced mobility[1].

The Sustainable and Smart Mobility Strategy (SSMS)[2] adopted in 2020 underlined that the shift towards sustainable, smart and resilient mobility must be just and fair. Fair mobility means protection for passengers and their rights. To achieve the EU's ambitious climate goals[3], people need to have the tools to opt for a seamless multimodal public transport throughout their journey. To support this, people should be aware how they are protected in case of disruptions or cancellations on such journeys. In addition, the unprecedented mass cancellations that were seen during the COVID-19 pandemic showed the importance of EU-wide rules and their uniform implementation and enforcement.

With the SSMS, the Commission expressed its intention to review the existing framework in depth. In particular, it committed to take action to ensure that EU passenger rights are better implemented; are clearer for both carriers and passengers; offer adequate assistance and reimbursement when disruptions arise; and provide for appropriate sanctions if the rules are not properly observed. Moreover, the Commission announced its intention to assess options for a multimodal framework for passenger rights (Action 63[4]), and for an adequate financial protection scheme to protect passengers from carrier liquidity crisis or insolvency (Action 64)[5]. Both initiatives are listed in the Commission work programme 2023[6].

1.2 Scope of this Impact Assessment

The Call for Evidence, published in December 2021[7], covered both Action 63 and 64 of the SSMS. Based on the initially collected data, and various stakeholders' views received after the Call for Evidence, stakeholders were consulted on five problem areas: 1) Lack of financial protection for air passengers against the risk of a liquidity crisis or an insolvency regarding the reimbursement of tickets and passengers' repatriation, if needed (covering Action 64 of the SSMS); 2) Delayed reimbursement of air passengers booking via an intermediary ticket vendor; 3) Lack of reimbursement for flights cancelled by passengers as a result of a major crisis; 4) Insufficient protection for passengers making multimodal journeys; and 5) Insufficient

[1] See Annex 10 for more details on the creation and the development of EU passenger rights.
[2] Sustainable and Smart Mobility Strategy – putting European transport on track for the future, European Commission, Brussels, December 2020.
[3] The EU is committed to reducing its net greenhouse gas emissions by at least 55 per cent by 2030, compared to 1990; 2030 Climate Target Plan.
[4] Action 63 of the SSMS: "Review of the passenger rights regulatory framework, including to ensure its resilience to extensive travel disruptions, and including options for multimodal tickets."
[5] Action 64 of the SSMS: "Assess the options and propose, if appropriate, an adequate financial protection scheme to protect passengers against the risk of a liquidity crisis or an insolvency regarding the reimbursement of tickets and if needed their repatriation".
[6] COM(2022)548 final, Annex II (REFIT initiatives) no 6.
[7] Have your say - Better protection for passengers and their rights.

enforcement of passenger rights in all modes.[8] Two of these initial problem areas were eventually discarded from the IA, namely:

- Problem area 1: The air passenger rights Regulation (EC) No 261/2004 does not contain provisions ensuring the reimbursement of flight-only passengers in situations where a carrier becomes insolvent or faces a liquidity crisis, nor does it cover the repatriation of passengers stranded abroad (nor is this part of the proposal to amend this Regulation[9]). Meanwhile, the Package Travel Directive (EU) 2015/2302[10] obliges Member States to ensure that organisers provide security for the refund of all payments in case of insolvency, and, if the package travel contract includes carriage, that organisers provide security for the travellers' repatriation. However, a major difference between the rules for EU package travel organisers and those for airlines is that EU airlines are subject to minimum financial requirements and ongoing financial oversight by national licensing authorities under the Air Services Regulation (EC) No 1008/2008[11].

  Coherence with the revision of the Air Services Regulation (Action 59 of the SSMS) is needed to improve the financial resilience of air carriers and price transparency. There is therefore a very close link between Action 64 and Action 59 of the SSMS. The impact of measures to mitigate the risk of a liquidity crisis or disorderly insolvency of an air carrier, and to better support reimbursement and repatriation in such cases, cannot be looked at in isolation. Therefore, the combined impacts of all these measures will be looked at in the impact assessment for a possible revision of the Air Services Regulation, where work is still ongoing[12]. The need for intervention must be carefully assessed. Before the COVID-19 crisis, it was estimated[13] that between 2011 and October 2019, some 5.6 million passengers, or 0.04% of total EU passengers, were affected by airline insolvencies[1415]. The average loss of affected passengers is estimated to be €357, leading to detriment for travellers of €2bn in this period. In 2019, the rate of affected passengers was 0.14%. During the COVID-19 pandemic, national licensing authorities were allowed to maintain airline operating licences even in case of financial difficulties, as long as safety was not at risk. However, problems resulting from insolvencies remained very limited during this period and problems related to deferred payments by airlines during the pandemic were subsequently addressed by a Consumer Protection Coordination action[16].

- Problem area 3 on passengers' rights to reimbursement when self-cancelling due to a major crisis: The consultation not only showed that this issue is marginal, but also that any such right would apply under certain circumstances which are difficult to delineate,

[8] For problem areas 1) and 3) there was only evidence for air passengers that these were an issue, not for passengers of the other modes bus, ship and rail.
[9] Proposal COM(2013)130 to amend Regulation (EC) No 261/2004.
[10] Directive (EU) 2015/2302 of the European Parliament and of the Council of 25 November 2015 on package travel and linked travel arrangements.
[11] Regulation (EC) No 1008/2008 of the European Parliament and of the Council of 24 September 2008 on common rules for the operation of air services in the Community (Recast).
[12] Have your say - Revision of the Air Services Regulation.
[13] 2020, European Commission, Study on the current level of protection of air passenger rights in the EU.
14 European Commission, Directorate-General for Mobility and Transport, Study on the current level of protection of air passenger rights in the EU: final report: study contract, Publications Office, 2020, available at: https://data.europa.eu/doi/10.2832/529370.
[15] For the other modes of transport the stakeholder consultation did not bring evidence that there was a major problem.
[16] The problem with delayed payments by airlines was addressed by a Consumer Protection Coordination action. Following dialogues with the Commission and national consumer authorities during 2021, 16 major airlines made far-reaching commitments to bring their practices back in line with EU consumer and passenger rights law with regard to flight cancellations. See CPC action on Airline cancellations.

thus making the passenger rights framework even more complicated. Consequently, for the sake of proportionality, this problem was discarded early on in the process[17].

Given the above, the scope of this IA has been narrowed down to three areas, starting with the area with the widest scope: 1) enforcement across all modes of transport, including multimodal transport, 2) multimodal passenger rights and 3) reimbursement of airline tickets when these were booked via intermediaries. They correspond to the abovementioned areas 2, 4 and 5 of the five areas on which stakeholders were consulted in an initial phase of the process.

1.3 Other policy initiatives regarding passenger rights

This impact assessment takes the state of play of the different passenger rights Regulations into account.

With regard to **air passenger rights**, the Commission already stepped up efforts in 2013 to make passenger rights clearer and better applied by adopting a proposal[18] to amend Regulation (EC) No 261/2004[19]. The inter-institutional process on this proposal is not completed yet[20] but it remains a priority pending file for the Commission[21] and is also listed among the common legislative priorities of the three EU institutions for 2023 and 2024[22]. The discussions on the proposal have especially highlighted the complexity of finding an adequate balance between rights of passengers and obligations of carriers. To support the deliberations on this proposal in the Council a study on the current level of protection of air passenger rights in the EU, published in January 2020[23], takes a comprehensive look at the topic by reflecting the evolution of the air travel market in recent years up until 2019. This fact-finding study showed that the need for reform has become even more urgent since 2013. It also concluded that Interpretative Guidelines[24] might help but would not be able to solve all problems identified with the application. Therefore, problems dealt with in the proposal of 2013 to amend Regulation (EC) No 261/2004 are excluded from the scope of this IA and the policy measures presented in this IA are complementary to the legislative proposal of 2013.

In view of the experience with the abovementioned legislative proposal of 2013 for air passengers, the Commission proposed (only) a targeted recast of the **rail passenger rights** Regulation (EC) No 1371/2007[25] in 2017, which led to the adoption of the Regulation (EU) 2021/782[26] which is applicable as of 7 June 2023. This new Regulation introduces several new rules for rail passengers which could also be useful for the protection of passengers travelling with other modes of transport (or even multimodal), such as on the provision of real-time dynamic traffic and travel information, a new EU-wide standardised form for compensation and reimbursement requests, or better tools for national enforcement bodies (NEBs)**.** The policy measures presented in this IA are therefore complementary to the new rail passenger rights

[17] See details below under point 3.1.4.
[18] EUR-Lex - 52013PC0130 - EN - EUR-Lex (europa.eu), COM(2013)130 final.
[19] Regulation (EC) No 261/2004 of the European Parliament and of the Council of 11 February 2004 establishing common rules on compensation and assistance to passengers in the event of denied boarding and of cancellation or long delay of flights, and repealing Regulation (EEC) No 295/91 (OJ L 46, 17.2.2004, p. 1–8).
[20] The European Parliament adopted its position in first reading in 2014, confirmed it in 2019, while deliberation in Council is still pending.
[21] Commission work programme 2023, Annex II no 35.
[22] Common legislative priorities for 2023 and 2024.
[23] 2020 Study on the current level of protection of air passenger rights in the EU.
[24] The Commission published Interpretative Guidelines on Regulation (EC) No 261/2004 on air passenger rights and on Council Regulation (EC) No 2027/97 on air carrier liability in the event of accidents in 2016.
[25] Regulation (EC) No 1371/2007 of the European Parliament and of the Council of 23 October 2007 on rail passengers' rights and obligations (OJ L 315, 3.12.2007, p. 14-41).
[26] Regulation (EU) 2021/782 of the European Parliament and of the Council of 29 April 2021 on rail passengers' rights and obligations (recast), (OJ L 172, 17.5.2021, p. 1–52); see for more details the FAQ document.

Regulation as well.

In 2021, the Commission also published three **evaluations of the regulatory framework** on the rights of **waterborne** passengers[27], **bus and coach** passengers[28], and **persons with disabilities and persons with reduced mobility when using air transport**[29]. The three evaluations show inter alia that there is room to improve the enforcement of these Regulations. NEBs often have very limited human resources to identify irregularities and act upon them, to enforce the Regulations, and their approaches differ significantly: some are proactive and engage in different monitoring activities allowing for the detection and correction of recurrent non-compliances against passenger rights (e.g., regular dialogue with industry and passenger representatives, inspections, audits, review of operator homepages, etc), while others only react to complaints that passengers submit to them and do not carry out own-initiative monitoring or enforcement activities.[30]

As shown by several **Eurobarometer** surveys[31], passengers' lack of awareness of their rights, and problems with enforcing these rights, are a recurrent issue. The last survey of 2020 showed that only about one in three EU citizens knows that passenger rights exist in the EU (a similar result to the 2014 Eurobarometer). Therefore, the Commission regularly organises **campaigns** to promote passenger rights awareness[32], and offers **information on the Single Digital Gateway 'Your Europe'** on passenger rights as well as on a **passenger rights app** available in all official EU languages[33]. The lack of passenger awareness and problems with the enforcement of their rights were also highlighted by the **European Court of Auditors** (ECA) in its report no 30/2018 "EU passenger rights are comprehensive, but passengers still need to fight for them"[34]. The COVID-19 pandemic also showed that passengers were not well aware of their rights and often did not know whom to turn to for enforcement. ECA's report no 15/2021 "Air passenger rights during the COVID-19 pandemic: Key rights not protected despite Commission efforts" came to the same conclusion[35].

The **European Parliament** "has always been a strong advocate of passenger rights irrespective of the mode of transport used. Its main aim is now to ensure that the texts adopted in recent years are properly applied"[36]. It also underlined the importance of implementing passenger rights correctly during the COVID-19 pandemic[37]. The **Council**[38] welcomed the Commission's consideration of the ECA's recommendations and invited the Commission "to reflect on how to improve the current setup, based on the experiences, shortcomings and lessons learnt and the European Court of Auditors' Special report, as announced under the Commission's Sustainable and Smart Mobility Strategy."

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[27] SWD(2021) 413 final.
[28] SWD(2021) 415 final.
[29] SWD(2021) 417 final.
[30] More details on the outcome of and the follow-up for these evaluations are presented in Annex 9.
[31] Special Eurobarometer 485 report on Passenger rights - January 2020. Also the first Eurobarometer of 2007, which covered air passenger rights, concluded that 49% of EU citizens are not aware about passenger rights at airports in EU territory.
[32] Passenger rights campaign.
[33] Passenger rights on Your Europe.
[34] European Court of Auditors' Special Report 30/2018: EU passenger rights are comprehensive, but passengers still need to fight for them.
[35] European Court of Auditors' Special Report 15/2021: Air passenger rights during the COVID-19 pandemic: Key rights not protected despite Commission efforts.
[36] https://www.europarl.europa.eu/factsheets/en/sheet/48/passenger-rights.
[37] European Parliament resolution of 17 April 2020 on EU coordinated action to combat the COVID-19 pandemic and its consequences (2020/2616(RSP) - paragraph 44).
[38] Council conclusions of 28 September 2021 on the European Court of Auditor Special report no 15/2021: 'Air passenger rights during the COVID-19 pandemic: Key rights not protected despite Commission efforts', point 6

1.4 Synergies with other EU initiatives

The Impact Assessment takes into consideration other EU legislation currently under revision or development. Throughout the process, it has been ensured that the review of the passenger rights framework does not overlap with these other initiatives, but instead complements them.

- Proposal amending **Directive (EU) 2015/2032 on package travel and linked travel arrangements (PTD)**[39]: coherence has been ensured, especially regarding rules on intermediaries. Moreover, it should be clarified that the Package Travel Directive and the passenger rights Regulations, albeit both dealing with travel, concern two separate markets and hence do not overlap per se. Whereas passenger rights exclusively deal with passenger transport services (e.g. flights, rail and bus services - including multimodal combinations of such services), the rules on package travel cover a combination of different travel services offered by an organiser (e.g. a package combining a flight and hotel accommodation).

- The **Regulation (EU) 2017/2394 on Consumer Protection Cooperation (CPC)** [40], establishing a pan-European enforcement network in EU/EEA, is also currently under revision[41]. This complementary instrument provides a cooperation framework for national authorities from all countries in the European Economic Area to jointly address breaches of consumer rules (including passenger rights) when the service provider and the consumer are established in different countries. The synergies can be seen in the context of the two CPC actions against airlines and intermediaries, regarding problems encountered with reimbursements during the COVID-19 pandemic. The aim of the revision is to strengthen the enforcement of consumer law and maintain a level playing field for business, learning from the recent evolution of the market.

- **Directive 2013/11/EU (the Alternative Dispute Resolution Directive)** allowing consumers, including passengers, to seek the out-of-court settlement of their disputes arising from the breach of passenger rights throughout the EU using alternative dispute resolution bodies, is also currently under revision. The Commission adopted on 17 October 2023 a proposal to amend this Directive: the amendment would include, among others, broadening the Directive's scope to third country traders (e.g carriers, ticket vendors) and to disputes arising not only from contractual relations but also from the pre-contractual stages and from certain non-contractual relationships, thus further enhancing the use of out-of-court settlement to solve passenger rights claims [42].

The initiative contributes towards **Sustainable Development Goals** (SDG) #10 Reduce inequality within and among countries (regarding passengers with disabilities and reduced mobility), #13 Climate action (enhanced passenger rights may incentivise people to use more public transport instead of private cars), and #16 Provide access to justice for all and build effective, accountable and inclusive institutions (enhanced and accessible means of redress for passengers and better tools for enforcement for the administration).

[39] See also https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/13117-Package-travel-review-of-EU-rules_en.

[40] Regulation (EU) 2017/2394 of the European Parliament and of the Council of 12 December 2017 on cooperation between national authorities responsible for the enforcement of consumer protection laws and repealing Regulation (EC) No 2006/2004 (Text with EEA relevance) OJ L 345, 27.12.2017, pp. 1–26.

[41] Have Your Say - Consumer Protection.

[42] https://commission.europa.eu/live-work-travel-eu/consumer-rights-and-complaints/resolve-your-consumer-complaint/alternative-dispute-resolution-consumers_en.

2 PROBLEM DEFINITION

2.1 What are the problems and why are they a problem?

The EU passenger rights Regulations are at the core of European passenger transport, providing passengers with protection when they travel with one collective transport mode anywhere in the EU. These rules cover rights for passengers when a disruption occurs, information provision to passengers both before and during travel, and complaint possibilities in case the rules are not followed[43]. These rights are important to keep passengers' confidence in collective transport modes. In 2019, a total of 13.4 billion passengers[44] travelled in the EU by air, bus and coach, rail or waterborne transport including 8.6 billion rail passengers, 970 million air passengers, 418 million waterborne passengers and 3.3 billion bus & coach passengers (of which 369 million travelling above 250 kilometres[45]). Around 107 million passengers' services were performed in 2019. Moreover, in 2019, it is estimated that 82.7 million requests were made for PRM assistance on all four modes of transport[46].

Analysis conducted for the preparation of the SSMS, evaluations of the existing Regulations, results of the 2020 Eurobarometer on passenger rights, reports by the European Court of Auditors, feedback gathered by the Commission during the COVID-19 crisis, and the consultations undertaken for this impact assessment have highlighted the following problems:

2.1.1 Problem 1: Passengers do not fully benefit from their rights due to shortcomings in implementation and enforcement

Passengers of all modes of transport are affected by this problem. Passengers' knowledge of their rights is low: only 43% of the respondents to the 2020 Eurobarometer survey[47] who travelled with at least one transport mode in the past 12 months indicated that they were aware of the existence of passenger rights in the EU. Among the general sample of 27,973 respondents to the survey, including those who had not travelled recently, the awareness level was even lower, standing at 32%. Only 40% of the 7,666 respondents travelling by air indicated that the carrier informed them well about their passenger rights before their journey. Even fewer respondents travelling by other transport modes indicated that they were well informed by the carrier about their passenger rights (29% of 2,414 respondents for ferry and cruise, 26% of 9,516 respondents for rail and 26 % of 4,473 respondents for bus and coach). Furthermore, 55% of the 5,560 respondents who experienced travel disruptions indicated that they were not satisfied with the way carriers informed them about their complaint handling procedures. Such procedures can be complex and constrained by requirements to use specific formats (e.g. electronic forms), making it difficult for passengers to provide all the information needed for the investigation of their complaints.

Just about a quarter (26%) of the 5,560 respondents who experienced travel disruptions made an official complaint. Among those who experienced a travel disruption but did not make a complaint, the most frequent reason for not complaining was the feeling that it would be useless (45%); for 25% of the concerned travellers, the involved amount was too small; while 16% said the procedure was too cumbersome. The results of this survey are confirmed by the Commission's 2020 study of the current level of protection of air passenger rights, cited above,

[43] Annex 10 – Background on the development of EU passenger rights.
[44] The term "passengers" refers to individual journeys.
[45] Only accounting for passengers travelling on regular services with a scheduled distance of more than 250 km. See Annex 4, 2.2.
[46] On the basis of figures in the Steer (2020), Study on the current level of protection of air passenger rights in the EU: final report, available at: https://data.europa.eu/doi/10.2832/529370 and the Steer (2021), Study on the EU Framework for Passenger Rights.
[47] Special Eurobarometer 485, published in January 2020, fieldwork conducted in February/March 2019.

which found that the process for passengers to obtain redress is lengthy, particularly for first time claimants, and can discourage them from making claims.

The abovementioned study on air passenger rights and the Commission's recent evaluations of the bus and coach, waterborne and air PRM Regulations show that, beyond claims related to compensation for cancellation or long delays of flights[48], NEBs have received very few complaints. As reflected by the findings presented above, this results from a mix of factors: many passengers are not aware of their rights, the procedure to submit a complaint is too cumbersome and passengers consider it useless to complain (either because the NEB cannot take a binding decision or in case of certain breaches of passenger rights passengers cannot get any compensation or the compensation due is not commensurate to the effort invested in submitting a complaint).

Although operators confirmed in the stakeholder consultation that they collect key performance indicators about their own compliance with passenger rights (number of complaints received and the problems raised in them, amount of money paid as compensation to passengers, results of passenger surveys, punctuality of services, etc.), according to information available to the Commission such information is not shared with NEBs[49]. The 2021 special report from the ECA concluded that NEBs do not have a good overview of operators' compliance with passenger rights and cannot focus their limited resources for monitoring and enforcement. According to this ECA report, one of the problems is that most NEBs do not have the right to ask carriers about the number of complaints they receive[50]. The Commission evaluations of 2021 also came to a similar conclusion about the NEBs' resources available for monitoring and enforcement[51]. The ECA recommended in its report of 2018 that the NEBs should be provided with further tools for the enforcement of passenger rights, e.g. for monitoring the carriers' policies on assistance, care, information and re-routing. The ECA also recommended that the Commission should explore how to receive the necessary information from the NEBs and how to help NEBs better control enforcement[52].

Organisations representing passengers indicated several times that various shortcomings in the enforcement make it impossible for passengers to fully enjoy their rights and called on the Commission to make a proposal to strengthen enforcement[53].

71% (105 out of 149) of respondents to the targeted stakeholder consultation strongly or somewhat agreed that carriers, terminal operators and NEBs applying EU passenger rights legislation in different ways is an important element of the problem. The 15 respondents who disagreed were: 8 carriers operating in transport modes other than aviation (out of 24 responding), 2 NEBs (out of 47 NEBs responding) and 2 national authorities (out of 9 responding). Similarly, 67% (99 out of 148) of respondents, including 29 out of 47 NEBs,

[48] Exceptionally, NEBs as well as European Citizens' Centres (ECCs) for cross-border cases received many more complaints also regarding reimbursements in money in the context of COVID-19, see the ECC report of 2020 which states that receive the most complaints relating to air passenger rights.

[49] Exceptionally, the Italian NEB responsible for waterborne passenger rights introduced an obligation on ferries to keep a record about the departure and arrival times, delays and cancellations and their reasons, and, if requested, share it with the NEB. Relevant passenger organisations strongly support this decision. See more in Study on the EU Regulatory Framework for Passenger Rights – Comparative analysis of good practices.

[50] This was one of the main conclusions, as regards NEBs responsible for Regulation (EC) No 261/2004, of the ECA Special Report 15/2021 on the protection of air passenger rights in the context of COVID-19.

[51] See points 6.2 of SWD(2021) 413 final, 5.2 of SWD(2021) 415 final and 5.1.3 of SWD(2021) 417 final.

[52] 2018 ECA Special Report n°30 "EU passenger rights are comprehensive, but passengers still need to fight for them", Recommendations 5a ii) and 5b, p. 35.

[53] See BEUC's position paper on the Air Passenger Rights Regulation (2019), BEUC's position paper accompanying BEUC's response to the Commission's public consultation on the Better Protection of Passengers and their Rights (2021) and the European Passengers' Federation's (EPF) position paper (2023).

strongly or somewhat agreed that the enforcement of EU passenger rights legislation by NEBs is neither harmonised nor consistent.

This confirms the findings of the evaluation of Regulation (EC) 1107/2006, Regulation (EU) 1177/2010 and Regulation (EU) 181/2011 which concluded that the overall approach of NEBs toward monitoring the implementation of the Regulations varies significantly: while some NEBs are very proactive, others appear only to react to complaints which they receive. In addition, only a small proportion of NEBs have issued penalties for the breach of these Regulations, and even such penalties were generally small.

2.1.2 Problem 2: Insufficient protection of passengers during multimodal journeys

The SSMS confirmed the ambition of the European Green Deal[54] to achieve a 90% reduction in transport emissions by 2050. An important element of making transport more sustainable is achieving effective multimodality, where passengers who wish to travel long distances can do so by combining several modes of transport while using the most sustainable and efficient mode for each leg of the journey. It is estimated that 91 million passengers performed multimodal journeys in 2019 (representing approximately 0.7% of the total number of passengers subject to passenger rights)[55], and the number is expected to grow[56]. Protecting passengers in the event of travel disruptions is key to the attractiveness of multimodal travel. Failure to provide such support could itself affect market growth, with some passengers choosing to travel by car instead of collective transport (judging car travel to be both more convenient and more reliable).

Today, while passengers who travel with one mode (i.e. only by plane, train, bus or ship) enjoy rights in the event of travel disruptions, they are not entitled to similar rights when switching to another mode. This implies that there is also no clear framework for determining the respective obligations and liabilities of the different travel service providers involved in a multimodal journey[57]. National legal frameworks generally do not include provisions covering multimodal transport either[58]. In addition, the current offer of travel insurances for multimodal journeys remains limited. The rights of passengers in the context of multimodal journeys depend therefore on the existence of a contract of carriage covering the switch between transport modes and on the concrete terms and conditions of such contracts..

Consequently, passengers lack information on the extent of their rights before and during multimodal travel and are not given information in real-time on possible travel disruptions and security alerts. In addition, those passengers do not receive assistance (e.g. reimbursement, re-routing, accommodation, meals and refreshments) if a travel disruption occurs when switching between transport modes. Finally, passengers have difficulties to complain to carriers and other possible relevant actors (e.g. terminal operators, ticket vendors) about the lack of information or assistance, nor do they have clarity on which national authority to contact in such cases. This lack of a specifically designated authority also leads to uncertainty on the enforcement of information and assistance to passengers during multimodal travel. The consequences of the lack of information and assistance to passengers when switching modes include loss of connections and money for citizens, biased decisions from citizens towards less green solutions, possible undue profits for carriers, and ultimately a lack of consumer trust in multimodal travel options.

The 2020 Eurobarometer survey shows that 25% of respondents using a multimodal ticket in

[54] COM(2019)640 final.
[55] See section 2.2 of Annex 4.
[56] See section 5.1.
[57] Not only transport operators, but also intermediaries such as travel agents as well as infrastructure managers.
[58] 2019, European Commission, Exploratory study on passenger rights in the multimodal context, Chapter 4.1.2.3. ("At national level, specific provisions regarding multimodal transport are rare").

2019 experienced a problem when travelling.[59] The targeted consultation showed varying perceptions of how severe this problem is: 62% (89 out of 145) of respondents to the survey strongly or somewhat agree that the problem is important, while 18% (26 out of 145) fully or somewhat disagree. The latter were mainly carriers (for all modes of transport) and their umbrella organisations, who argued that the multimodal ticketing market is still at an early stage of development, and that multimodal agreements are limited in number due to their complexity. Intermediary ticket vendors generally regard the development of passenger protection during multimodal journeys as challenging in a context where carriers do not give them the information needed to sell such tickets.

The lack of rules for multimodal journeys also means that PRM are not entitled to any assistance under EU law when transferring between transport modes, including at multimodal connecting points such as air-rail hubs. In the absence of such assistance, they are not able to benefit from the same travel experience as other passengers. The public consultation revealed diverging views on this. For 18 out of 19 consumer organisations, all 7 PRM organisations, as well as 9 out of the 19 public authorities responding, the absence of assistance for PRM when switching between different transport modes is an important problem aspect. One third of business associations (11 out of 33) and 29% of individual businesses (8 out of 27) also agreed with this statement, but respectively 42% (14 out of 33) and 37% (10 out of 27) of them disagreed, while the others were neutral or had no opinion.

2.1.3 Problem 3: Reimbursement rules are unclear when flights were booked via an intermediary

No EU rules exist nor have been proposed for reimbursement of air tickets that were booked via intermediary ticket vendors and are not part of a travel package. Passengers have no clarity on the following issues:

- who is responsible (the intermediary or the carrier) for the reimbursement to the passenger when the ticket was booked via an intermediary;
- which deadlines and procedures apply for reimbursements when a ticket was booked through an intermediary;
- whether intermediaries are allowed to charge fees for the reimbursement processing[60].

The problem of unclear reimbursement rules for air passengers when flights were booked via an intermediary affects all passengers who booked their tickets via intermediaries (450 million passengers in EU-27 in 2019, as explained in Annex 11)[6162]. It is estimated that around 3% of passengers who booked via intermediaries[63] request a reimbursement, which amounts to around 13.5 million passengers yearly. The problem also concerns 149 airlines and 123,000 air travel intermediaries in the EU.

During the stakeholder workshop, different stakeholder groups agreed that the liability and responsibilities regarding the provision of information to passengers and the processing of

[59] Special Eurobarometer 485 report on Passenger rights - January 2020. See also chapter 2.2.4.
[60] Under the current rules, carriers are not allowed to do so. Some intermediaries charge a fee for carrying out the reimbursement process on behalf of the passenger.
[61] Information provided by IATA, the global trade association of airlines.
[62] See also annexes 12 and 13 for information on intermediaries‘ reimbursement policies and terms and conditions.
[63] According to evidence provided by one large network air carrier for 2019. One large OTA provided a similar figure for reimbursement request in 2019 (3.2%). However, evidence from an airline association shows that on average 6% of passengers booking via intermediaries request reimbursement. One large LCC pointed out that reimbursement requests represented 0.5% of passengers booking via intermediary ticket vendors. A mid-point between these figures was considered, i.e. on average 3% of passengers booking via intermediary ticket vendors request reimbursement.

refunds should be clearly defined in case an intermediary is involved. Such a view has also been stressed by passenger organisations in response to the call for evidence and by business organisations and associations through the OPC. In the targeted consultation, most stakeholder groups confirmed the statement that air carriers cannot always meet the obligation to reimburse passengers within seven days following the cancellation of a flight booked via an intermediary ticket vendor (e.g. because the air carrier does not have sufficient information to make payments directly to passengers). However, 13 out of the 14 intermediary ticket vendor respondents disagreed.

2.1.4 Other problems on which stakeholders were consulted

In addition, and as explained in section 1.2, stakeholders were consulted on two other problems, which were not pursued in this impact assessment, namely:

First, the effectiveness of protection for air passengers against the risk of a liquidity crisis or an insolvency affecting an airline's ability to reimburse tickets and/or to ensure passengers' repatriation, if needed. As mentioned, this problem and possible solutions will be assessed together with another initiative: the review of the Air Services Regulation.

Second, the lack of reimbursement for tickets cancelled by passengers themselves in the context of a major crisis. There were some indications that many passengers may not have been fully aware of their rights, leading some passengers to cancel themselves their tickets due to the unprecedented situation during COVID-19. Whether they had a right to reimbursement depended on the terms and conditions of the ticket: if they had not bought a flexible ticket, they did not receive a reimbursement. The EU passenger rights Regulations cover only cancellations by carriers, not by passengers. The fact that single ticket passengers do not have a statutory right under EU rules to receive reimbursement when cancelling themselves is a clear difference from the Package Travel Directive (PTD), which provides travellers with the right to receive a partial or full refund when they terminate the package travel contract before the start of the package. This may confuse passengers when they find themselves in a crisis situation. The issue of these diverging rules was also mentioned by the European Court of Auditors[64]. However, after further analysis, the evidence showed that only very few passengers (well below 1%) were affected by this situation before COVID-19, and 2.87% of passengers were affected during COVID-19[65].

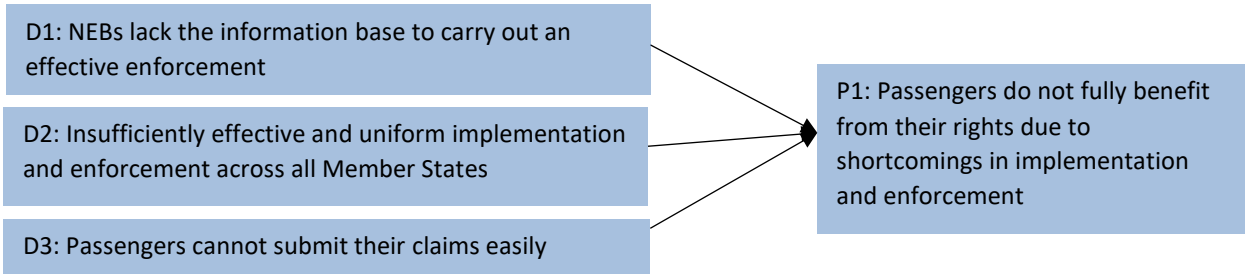
In the context of the review of the Air Services Regulation, the services of the Commission are assessing measures to help passengers to make fully informed choices about what is included in their tickets and notably to be better informed about which elements of the ticket price are reimbursable and under which conditions, when they want to cancel their tickets themselves. The Air Services Regulation already contains requirements on price transparency[66], with a view to ensuring that customers can compare effectively the prices for air services of different airlines. The relevant measures under consideration in this context would require the clear display of information about the reimbursable amount in case the passenger cancels the ticket themselves or does not turn up for boarding (certain taxes, fees and charges are often reimbursable even when the ticket itself is non-refundable, though passengers may not be aware of this).

[64] European Court of Auditors' Special Report 15/2021: Air passenger rights during the COVID-19 pandemic: Key rights not protected despite Commission efforts.
[65] See the support study for this IA, chapter 2.1.
[66] The final price including all unavoidable and foreseeable elements must be clearly displayed at all times, along with the breakdown into airfare, taxes, fees and charges (where these have been added to the fare). See Art. 23 Regulation (EC) No 1008/2008.

2.2 What are the problem drivers?

The following problem drivers are related to problem 1: *Passengers do not fully benefit from their rights due to shortcomings in implementation and enforcement*, as shown in Figure 1 below:

Figure 1 - Link between Problem Drivers 1-3 and Problem 1



2.2.1 Problem Driver 1: NEBs lack the information base to carry out an effective enforcement

The lack of information available to NEBs is undermining their ability to monitor operators' compliance with EU passenger rights across all modes. The limited transparency of carriers' and terminal operators' compliance with passenger rights vis à vis the NEBs has also been identified as an issue the following recent studies.

In the study on air passenger rights of 2020[67] it was noted that NEB enforcement is very largely based only on complaints received (by the NEBs) as there is no obligation for airlines to report on compliance with the obligations stipulated in Regulation (EC) 261/2004 and that without such reports it is very difficult to monitor compliance with existing obligations. This finding was confirmed by ECA, which highlighted in its report of June 2021 that this was an issue during the COVID-19 pandemic as well.

The Commission's evaluation reports on the rights of PRM when travelling by air[68], on bus and coach[69] and waterborne passenger rights[70] of 2021 found that the NEBs often carry out their tasks with limited human resources, and that their monitoring and enforcement activities could be more efficient if they could rely on carriers' data about compliance with passenger rights. During the consultation, several carriers across transport modes indicated that they collect data about their compliance with passenger rights (e.g. numbers of complaints received, issues raised and the outcome, level of cancellations and delays, passenger survey results, etc.). While very few operators publish detailed information about such data, most of them provide only limited summary data or no data at all. Some consulted carriers argued that such data is commercially sensitive, and one waterborne carrier considered that if such data were to be published, the public could draw wrong conclusions from them. On the other hand, EU level consumer and passenger organisations claimed that the lack of publicly available data not only makes the monitoring and enforcement work of NEBs difficult, but also prevents passengers from making informed decisions about which operators to choose for their journeys.

2.2.2 Problem Driver 2: Insufficiently effective and uniform implementation and enforcement across all Member States

The evaluations published in 2021 as well as NEBs accounts from the Expert Group meetings show that there are substantial differences in how NEBs exercise their enforcement activities,

[67] 2020 European Commission, Study on the current level of protection of air passenger rights in the EU.
[68] SWD(2021) 417 final.
[69] SWD(2021) 415 final.
[70] SWD(2021) 413 final.

in particular how they monitor compliance with passenger rights. Proactive NEBs perform a great variety of monitoring and enforcement activities ranging from reviews of operators' websites, anonymous purchase tests, regular dialogue with operators, on the spot audits and inspections while other NEBs seem to limit their activities to complaint handling and imposing penalties in cases of severe breaches of the passenger rights Regulations.[71].Certain NEBs are obliged to publish reports about their monitoring and enforcement activities,[72] however they do not have to indicate in those activity reports the approach on which their monitoring and enforcement activities are based. As a consequence, the activity reports of NEBs show a lack of consistency of NEB's monitoring and enforcement activities across EU Member States.

For several years, the Commission has highlighted in its reports that handling complaints and penalising non-compliance are just two of the possible measures that can be used to enforce passenger rights[73], and that NEBs need to be more pro-active in monitoring, e.g. to carry out inspections[74] In 2014, the Commission concluded that while some NEBs actively take initiatives to improve the enforcement of PRMs' rights, more needs to be done by the majority of NEB[75]. The 2020 study on the state of play of air passenger rights concluded that NEBs should undertake monitoring activities to maintain oversight of the airlines' compliance and highlighted the different approaches of the Member States.

The stakeholder consultation confirmed that the enforcement of EU passenger rights legislation by NEBs is neither harmonised nor consistent. 67% (99 out of 148) of respondents strongly or somewhat agree that the problem is important, while 16% (23 out of 148) fully or somewhat disagree. In the OPC, 70% (117 out of 169) somewhat/fully agree with the importance of the statement that the enforcement of passenger rights varies greatly across the EU.

2.2.3 Problem Driver 3: Passengers cannot submit their claims easily

Two EU level passenger representative organisations expressed the view that there are multiple barriers for passengers when trying to contact a carrier to submit a claim[76]. These include malfunctioning web forms, unavailable email addresses, broken links to claim forms, web forms not being available in the language of the passenger or a lack of clarity on the documents or information necessary to submit the complaint. In addition, a NEB indicated that it has received complaints from passengers about the difficulties of finding information on carriers' websites, on where to direct complaints/claims, the appropriate forms to use and the languages in which they are explained. When facing these obstacles, passengers often give up, even if in theory they could exercise their rights.

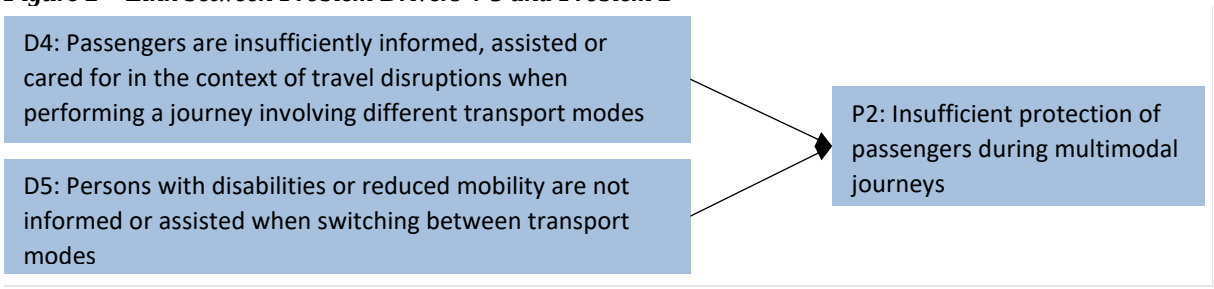
Another reason why passengers do not submit complaints when their rights are not respected is the fact that most passengers are still not aware of their rights, even though carriers and terminal

[71] See the above mentioned Commission evaluations on Regulation (EC) 1107/2006, Regulation (EU) 1177/2010 and Regulation (EU) 181/2011 and the 2018 ECA Special Report on passenger rights.
[72] NEBs in charge of waterborne and bus and coach passenger rights are obliged to publish biennial activity reports since 2015, NEBs in charge of rail passenger rights will be obliged to publish such reports from 2025. The 2013 Commission proposal on air passenger rights would oblige NEBs responsible for Regulation (EC) 261/2004 to publish annual reports, but many of them already do it as part of their annual reports based on national legislation.
[73] For waterborne passenger rights see COM (2016)274 final, p. 7 and 9; for bus and coach passenger rights see COM(2016)619 final, p. 8.
[74] COM(2013)587 final, p. 11 (regarding rail passenger rights).
[75] 2014, European Commission, Complaint handling and enforcement by Member States of the Air Passenger Rights Regulation, SWD(2014) 156, p. 35.
[76] Annex 2 – Stakeholder consultation synopsis report.

managers are obliged to inform passengers of their rights[77].

The following problem drivers are related to problem 2: *Insufficient protection of passengers during multimodal journeys*, as shown in Figure 3 below:

Figure 2 – Link between Problem Drivers 4-5 and Problem 2



2.2.4 Problem Driver 4: Passengers are insufficiently informed, assisted or cared for in the context of travel disruptions when performing a journey involving different transport modes

While still being relatively small, the size of the market for multimodal travel is expected to grow steadily, from 91 million passengers in 2019 up to around 103 million passengers for the EU-27 in 2030 and 150 million in 2050. Air-rail passengers represent over 60% of the total multimodal passengers, air-coach passengers above 30%, while the share of rail-coach passengers is limited to around 1% of the total number of multimodal passengers[78].

Multimodal travel can involve travelling with separate tickets that passengers buy separately ('category C' tickets). Alternatively, ticket vendors and tour operators can bundle separate tickets into a multimodal product on their own initiative and sell them to passengers in one single commercial transaction ('category B' tickets). A limited number of carriers also offer single contracts of carriage for a multimodal journey ('category A' tickets). The share of single multimodal contracts is estimated at around only 5% of the multimodal market[79].

The following table also provides an estimation of the number of stakeholders affected by the multimodal market, in particular carriers throughout all transport modes, intermediaries and multimodal terminal operators.

Table 1: Number of stakeholders affected by multimodal travel

Stakeholders	Total	Share of the multimodal market (%)[80]	Multimodal operators
Bus and coach carriers	3,778	4.6%	173
Railway undertakings	283	24.4%	69
Air carriers	149	7.5%	11
Waterborne carriers	523	1.0%	6
Intermediaries (e.g. ticket vendors, tour operators)	123,000	0.1%	123
Multimodal terminal operators	424	100%	424

[77] As indicated in point 2.1.1, only 43% of the respondents to the 2020 Eurobarometer survey who travelled with at least one transport mode in the past 12 months indicated that they were aware of the existence of passenger rights in the EU.
[78] See Annex 4 – Analytical methods.
[79] European Commission, Exploratory study on passenger rights in the multimodal context, final report, June 2019.
[80] European Commission, Exploratory study on passenger rights in the multimodal context, final report, June 2019.

Total number of stakeholders affected by multimodal travel			**806**

A relatively high number of passengers experience problems during multimodal travelling, especially in relation to missed connections. This is supported by the 2020 Eurobarometer survey, showing that of those respondents using a multimodal ticket in 2019, 25% experienced a problem when travelling, with 8% almost missing a connection due to a delay or cancellation and 9% actually missing a connection for this reason.[81] In this context, and as already highlighted above, it is important to note that the current level of protection of passengers when switching between modes would depend on the existence of a single contract of carriage covering the whole multimodal journey (category A), and the concrete terms and conditions of such contract.

In the targeted consultations, 62% of respondents (89 out of 145) considered as an important problem the fact that passengers are not protected by existing rights when switching between transport modes, while 18% (26 out of 145, mostly carriers for all modes of transport and their umbrella organisations) disagreed either fully or somewhat. The latter remarked that the multimodal market is still very limited and that it might be too early to regulate this sector. Conversely, passenger representative organisations and one rail umbrella organisation considered that the protection offered to passengers making multimodal journeys must be improved if the market for multimodal transport is to develop[82].

2.2.5 Problem Driver 5: Persons with disabilities or reduced mobility are not informed or assisted when switching between transport modes

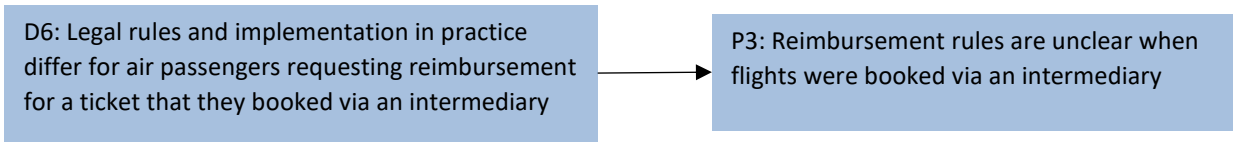
The obligations on carriers and infrastructure managers to provide PRMs with information and assistance set out in the mode-specific rules on passenger rights do not apply in the case of multimodal travel, which particularly affects the assistance provided at connecting points[83]. This implies, for example, that PRMs are only assisted within the perimeter of an individual airport, railway station, bus terminal or port, but do not receive support beyond that (e.g. assistance from a railway station to an adjacent bus terminal); or that several operators and terminal managers would have to be contacted in order to ensure the assistance of PRMs during a given journey. The 2020 Eurobarometer survey also found that almost half of PRMs requesting assistance for a journey using more than one mode of transport were dissatisfied with the assistance they had received.

50% of respondents to the targeted stakeholder consultations (69 out of 138) agreed that the absence of assistance to PRMs when switching between transport modes is an important problem, with 16% (22 out of 138) somewhat disagreeing, 14% (19 out of 138) being neutral and 20% (28 out of 138) having no opinion on the matter. There is also widespread acceptance throughout different categories of stakeholders representing consumers, transport operators and infrastructure managers, that the information and assistance to PRMs switching between transport modes should be improved[84].

The following problem driver is related to problem 3: *Reimbursement rules are unclear when flights were booked via an intermediary,* as shown in Figure 4 below:

[81] Special Eurobarometer 485 report on Passenger rights - January 2020.
[82] Annex 2 – Stakeholder consultation Synopsis report.
[83] European Commission, Exploratory study on passenger rights in the multimodal context, final report, June 2019.
[84] Annex 2 – Stakeholder consultation synopsis report.

Figure 3 - Link between Problem Driver 6 and Problem 3



2.2.6 Problem Driver 6: Legal rules and implementation in practice differ for air passengers requesting reimbursement for a ticket that they booked via an intermediary

Regulation (EC) No 261/2004 stipulates passengers' right to a reimbursement but stays silent on who shall reimburse the passenger. Intermediary ticket vendors are not included within the scope of the Regulation, only passengers and carriers are, which means that the onus is on the air carrier to communicate with and to reimburse the passengers in case of events triggering this right. However, many passengers have difficulties enforcing their right to reimbursement vis-à-vis the air carrier directly. De facto, many carriers (with the exception of large low-cost carriers with an exclusive direct (online) distribution model) ask passengers to request the reimbursement via the intermediary through which they booked[85]. The reason is that this is part of the service package offered by the intermediary, and the airlines may not have the passenger's payment (or even contact) details for these tickets, and do not know the final price of the ticket that the passenger paid to the intermediary[86]. Industry rules support the 'reversal of the payment flow' method[87], which, for tickets booked through credit cards, also avoids a credit card chargeback from the customer to the Merchant of Record intermediary[88] (where the intermediary is responsible for the financial transaction), and thus the risk to the airline of paying the reimbursement twice, or of airlines' liquidities being frozen by credit card companies.[89] Therefore, the large majority of airlines operating in the EU reverse the payment flow for the reimbursement of tickets booked via intermediaries (representing approximately 92% of tickets booked via intermediaries and accounting for 416 million passengers in 2019), meaning that the money arrives with the Merchant of Record intermediary, which then needs to make the final reimbursement payment to the passenger.

When Merchant of Record intermediaries are involved, the passenger is usually asked by the airline to turn to the intermediary for reimbursement. Given this practice, which is not mirrored in the current air passenger rights, passengers face difficulties to enforce their rights towards the intermediary. Furthermore, passengers are often confused about who is responsible for what and when the payment of the reimbursement is due to arrive on their bank account. The coordinated investigation of the CPC authorities into airlines' cancellation practices of

[85] See Annex 13: it is common practice that carriers with an indirect distribution model (i.e. excluding large low-cost carriers) refer the passenger to the intermediary first. Whilst there is no precise data available, it is assumed that this concerns a large majority of passengers (80%, i.e. those who did not book with large low-cost carriers).

[86] The intermediary may have sold the airline's ticket at a discount or with a surcharge. The business model of many intermediaries foresees the complete decoupling of their customers from the airlines, e.g. by not providing the carrier with the passenger's contact details. Also, the passenger may not be given the carrier's booking reference, so that the passenger faces difficulties when wanting to contact the carrier directly.

[87] IATA resolution 824r foresees that refunds should be returned to the same form of payment with which the original ticket was paid. (Credit card rules foresee the same.) Refunds under IATA's BSP cover 80% of reimbursements (in paid amounts in the EU) for tickets booked via Merchant of Record intermediaries.

[88] And thus a potential double reimbursement payment from the airline to the passenger (if the passenger requested the reimbursement to the airline directly and the Merchant of Record intermediary through the chargeback mechanism, which is a type of credit card reimbursement insurance for services not rendered (including cancelled flights). A Merchant of Record intermediary is one which first takes the customer's payment for the flight, and then makes the final payment for the flight to the carrier with its own means of payment (i.e. a switch in means of payment, with the means of payment of the passenger not being known to the airline – only that of the intermediary).

[89] Credit card companies work with 'acquirers' which treat the unflown ticket paid by credit card as a liability until the flight is either flown or reimbursed, because of the risk of chargeback for services not rendered. (IATA information).

2020/2021 confirmed that in most cases where passengers booked their flights via an intermediary, airlines do not accept direct requests for reimbursement, claiming that this responsibility falls on the intermediary[90]. Consequently, they also usually do not offer to passengers who booked via an intermediary to request a direct reimbursement on their websites[91].

2.3 How likely is the problem to persist?

2.3.1 Problem 1: Passengers do not fully benefit from their rights due to shortcomings in implementation and enforcement

Without EU intervention, the problem is likely to persist as not all NEBs dispose of effective tools to monitor compliance of operators, nor are they likely to acquire such tools. No evidence suggests that carriers or operators will publicise more information in the future, as their current hesitation to do so can be attributed to concerns about confidentiality and risk of losing passengers. As such, operators cannot be expected to be more willing in the future to provide NEBs with the information necessary to strengthen NEBs' monitoring and enforcement activities. Additionally, passengers will still not have access to a quick and efficient complaint handling system. While the prospect of a competitive edge might incentivize some carriers and intermediaries to better practices and more transparency in complaint handling, the extent and the pace of such a market-driven process are uncertain. The hassle costs related to individual redress (e.g. time lost while searching for one's passenger rights, submitting a complaint through a difficult procedure and later possibly finding out that the NEB is not authorised to make a decision which is binging for the transport operator) will continue to cause significant personal welfare loss and the loss of consumer confidence in the collective transport sector (because of the lack of transparency related to carriers and terminal managers compliance with passenger rights and the fear that passengers will not be respected in case of transport disruption) will also remain.

2.3.2 Problem 2: Insufficient protection of passengers during multimodal journeys

As mentioned above, while still being relatively small, the size of the market for multimodal travel is expected to grow steadily, from 91 million passengers in 2019 up to around 103 million passengers for the EU-27 in 2030 and 150 million in 2050[92]. At the same time, transport operators are cautious as to the potential for growth in the availability of single contracts of carriage for multimodal journeys. Products and supporting mechanisms allocating liabilities in the event of disruption to connecting services, need to be economically viable for all involved. So far, these multimodal products are rare (an estimated 5% of the multimodal market as mentioned above) and take time to develop given the need for negotiation between different service providers. National policies to support such development are nearly inexistent[93]. Incentives to inform and assist passengers when they combine separate tickets for a multimodal journey – either at their own initiative or with the involvement of a ticket vendor - are also missing.

Hence, market-based solutions to address this problem are unlikely to be developed sufficiently rapidly to materially improve the experience of passengers, including PRMs, in the coming years. Consequently, passengers will still lack information on their rights before and during multimodal travel, and they will not be informed in real-time on possible travel disruptions and security alerts. They will not get assistance (e.g. reimbursement, re-routing, accommodation,

[90] Overview of measures proposed by CPC Network , see last row.
[91] Annex 13 - CPC action.
[92] Annex 4 – Analytical methods.
[93] European Commission, Exploratory study on passenger rights in the multimodal context, see in particular section 4.1.2.3 ("At national level, specific provisions regarding multimodal transport are rare").

meals and refreshments) in the event of a travel disruption when switching between transport modes and will have to fully bear the burden of such events. Finally, they will continue to face difficulties to complain to carriers and other possible relevant actors (e.g. terminal operators, ticket vendors) about the lack of information or assistance. The lack of a clearly designated authority to enforce such level of service provision during multimodal travel is likely to persist. Therefore, it is expected that the issues identified will not be resolved through the further expansion of this market segment in the foreseeable future.

2.3.3 Problem 3: Reimbursement rules are unclear when flights were booked via an intermediary

The problem identified is likely to persist without EU intervention, given that market-based solutions are unlikely to develop. The current main market practice of reimbursements for indirect bookings has in fact diverged from the legal framework: the CPC action against airlines (see Annex 13) provides evidence that many airlines with an indirect distribution model first refer the passenger to the intermediary for the reimbursement. The fact that airlines deal with intermediary ticket vendors differently, depending on their distribution model, adds confusion for the passenger. This is unlikely to change in the future. It is also unlikely that intermediary ticket vendors will exit the market.

The CPC action on intermediaries[94], that started in autumn 2022 and closed in June 2023, showed how difficult it is to solve these problems with voluntary commitments of intermediaries if the substantive law to be enforced is not clear enough. The unclear and inefficient reimbursement claim system will continue to lead to time lost by consumers when they try to find out whom to contact for their reimbursement through a trial-and-error approach and when the terms and conditions of (Merchant of Record) intermediaries set reimbursement deadlines from the intermediary to the customer (after receipt of the carrier's payment) of more than 7 days, or do not provide any information on this at all.

When passengers who booked a ticket via an intermediary with a carrier with an indirect distribution model insist to receive the reimbursement from the carrier, they will most likely continue to face considerable hassle costs. Airlines will likewise incur considerable costs in this case. The only element for which the hassle costs could possibly reduce in the future concerns the airline's identity check of the passenger who booked via a Merchant of Record intermediary. The possible use of European Digital Identity Wallets by private parties (provided for in the provisional political agreement of the Council and European Parliament on the core elements of a new framework for a European digital identity (eID) of 29/6/2023[95]) could potentially lead to the future uptake of eIDs by the airline industry, instead of other identity checks which are more burdensome. These developments are however unlikely to compensate for the consumer personal welfare loss and risk of loss of consumer confidence in the transport sector.

3 WHY SHOULD THE EU ACT?

3.1 Legal basis

Article 91(1) of the Treaty on the Functioning of the European Union (TFEU) serves as the legal basis for the adoption of EU legislation related to a common transport policy. This provision is the legal basis for the passenger rights Regulations currently in force. Furthermore, pursuant to Article 100(2) TFEU the Union legislator may lay down appropriate provisions for sea transport.

[94] CPC action on airline intermediaries.

[95] Available at: https://www.consilium.europa.eu/en/press/press-releases/2023/06/29/council-and-parliament-strike-a-deal-on-a-european-digital-identity-eid/.

3.2 Subsidiarity: Necessity of EU action

The level of protection of passengers was rather limited before the passenger rights Regulations were adopted. A large number of carriers (not only airlines but also railway undertakings and shipping companies, and increasingly bus companies) provide their services in different Member States and even beyond. Harmonisation of passenger rights at EU level is therefore necessary to ensure a level playing field for all stakeholders involved in the provision of transport services (e.g. carriers, infrastructure managers (especially relevant for PRM), intermediaries etc.). Passengers must be able to assert their rights in the same manner and to benefit from the same protection regardless of the Member State where they travel. For these reasons, the problems mentioned above need action at EU level.

3.3 Subsidiarity: Added value of EU action

The new measures related to enforcement would allow making existing rights more effective by making sure that NEBs' enforcement practices would incentivise carriers, terminal operators and intermediaries to deliver the best protection to passengers and by removing obstacles that prevent citizens from effectively exercising their rights under EU law. The added value of passenger rights for multimodal journeys lies in the continuity of the passenger protection across the journey; protecting passengers travelling multimodal would be an additional contribution to the new approach promoted by the common transport policy and the European Green Deal to incentivise the use of more sustainable transport modes. Finally, the new measures will also contribute to enhance the protection for air passengers across the EU, ensuring that clear rules will be in place for air tickets booked via an intermediary.

4 OBJECTIVES: WHAT IS TO BE ACHIEVED?

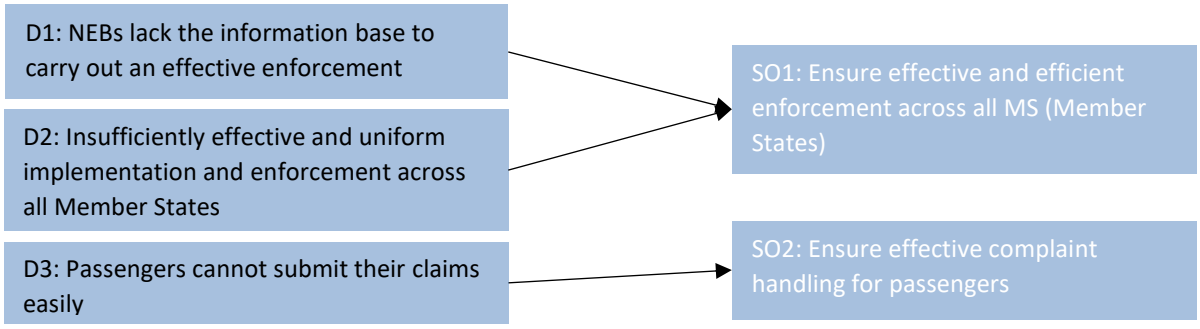
4.1 General objectives

The general objective of this intervention is to ensure the proper functioning of the single market for passenger transport and to achieve a high level of consumer protection for passengers when travelling within one mode or when switching modes during their journey, by enabling carriers, intermediaries and (especially for PRM) terminal operators and national administrations to apply and enforce these rights in an efficient and effective manner.

4.2 Specific objectives

The following **specific objectives** correspond to **problem drivers 1-3,** related to **Problem 1:** *Passengers do not fully benefit from their rights due to shortcomings in implementation and enforcement*, as shown in Figure 5.

Figure 4 - Link between Problem Drivers and Specific Objectives for Problem 1



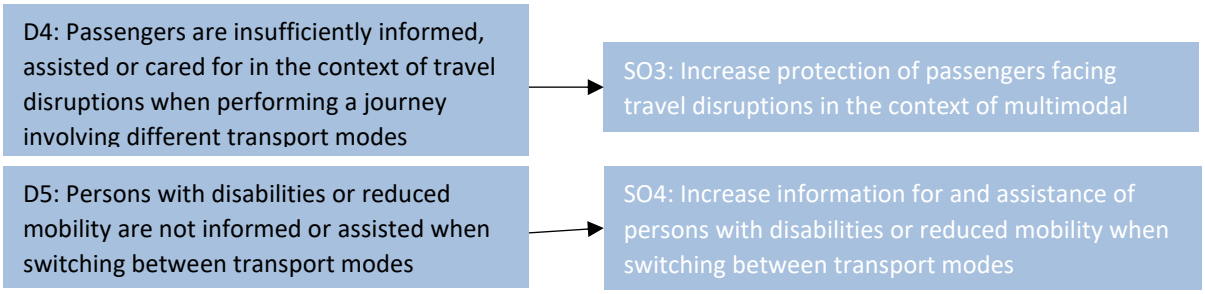
SO1: Ensure effective and efficient enforcement across all Member States. This objective aims to ensure that NEBs have effective tools for the monitoring of operators' compliance with

passenger rights.

SO2: Ensure effective complaint handling for passengers. This objective focuses on providing passengers with a quick, simple and accessible system of complaint handling. The objective is to ensure that passengers can enjoy their rights to the fullest, which also means to be able to complain to the carriers, intermediaries and terminal operators if something has gone wrong during their travel.

The following **specific objectives** correspond to **problem drivers 4 and 5,** related to **Problem 2:** *Insufficient protection of passengers during multimodal journeys*, as shown in Figure 6.

Figure 5 - Link between Problem drivers and Specific Objectives for Problem 2

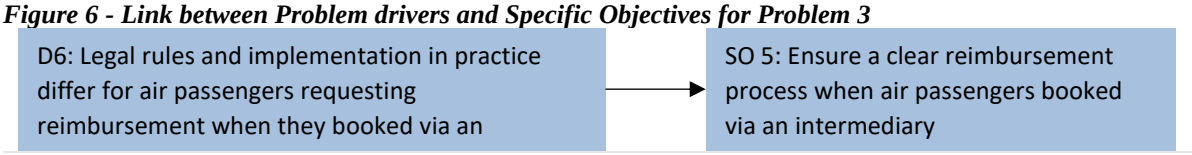


SO3: Increase protection of passengers facing travel disruptions in the context of multimodal journeys. The aim of this objective is to raise protection standards for passengers during a multimodal journey, in particular in the form of information, assistance and care.

SO4: Increase information for and assistance of persons with disabilities or reduced mobility when switching between transport modes. This objective aims to foster the protection of persons with disabilities or reduced mobility when they undertake a multimodal journey. In particular, it aims to improve the assistance of those passengers when they transfer from one transport mode to another during such a journey.

The following **specific objective** corresponds to **problem driver 6,** related to **Problem 3:** *Reimbursement rules are unclear when flights were booked via an intermediary,* as shown in Figure 7.

Figure 6 - Link between Problem drivers and Specific Objectives for Problem 3



SO 5: Ensure a clear reimbursement process when air passengers booked via an intermediary. This objective aims to ensure that the reimbursement process becomes clear for all actors involved (carriers, intermediaries and passengers).

5 WHAT ARE THE AVAILABLE POLICY OPTIONS?

5.1 What is the baseline from which options are assessed?

The EU Reference scenario 2020 (REF2020) is the starting point for the impact assessment of this initiative[96]. The REF2020 takes into account the significant impacts of the COVID-19

[96] European Commission, Directorate-General for Climate Action, Directorate-General for Energy, Directorate-General for Mobility and Transport, De Vita, A., Capros, P., Paroussos, L. et al., EU reference scenario 2020 – Energy, transport and GHG emissions – Trends to 2050, Publications Office, 2021, https://data.europa.eu/doi/10.2833/35750.

pandemic on the transport sector. More detailed information about the preparation process, assumptions and results are included in the Reference scenario publication[97]. Building on REF2020, the baseline has been designed to include the initiatives of the 'Fit for 55' package proposed by the Commission on 14 July 2021[98] and the initiatives of the RePowerEU package proposed by the Commission on 18 May 2022[99].

In terms of passenger rights, the baseline scenario assumes no further EU level intervention beyond the current Regulations in place[100] and the proposal to amend Regulation (EC) No 261/2004 on air passenger rights[101], currently under discussion by the co-legislators.

As regards the reimbursement of air tickets when booked via intermediaries, the baseline scenario includes:

- The possible use of European Digital Identity Wallets by private parties (provided for in the provisional political agreement of the Council and European Parliament on the core elements of a new framework for a European digital identity (eID) of 29/6/2023[102]) that could potentially lead to future uptake of eIDs by the airline industry. This would most likely facilitate the airline's check of the identity of the passenger. It is currently part of the additional information required by airlines when the ticket was paid by an intermediary on behalf of a passenger, and the passenger approaches the airline directly for a reimbursement.

- In case of insolvency of the entity which sold the passenger the air ticket, Regulation (EU) 261/2004 applies. The transport contract is always concluded between the passenger and the airline. The onus for the passenger's reimbursement lies with the airline, except where it already transferred the reimbursement money to an intermediary which holds a valid mandate from the passenger to receive the airline's reimbursement payment on his or her behalf. Such a mandate depends on national law and the terms and conditions of the contract between passenger and intermediary. If the airline goes bankrupt and did not yet pay out to the intermediary (with a valid mandate), the passenger becomes the creditor of the airline. If the intermediary goes bankrupt without having received the carrier's reimbursement payment, the passenger can request it from the carrier directly.

- The Digital Services Act (DSA)[103], that sets up a single point of contact for intermediaries[104]. The Consumer Rights Directive 2011/83/EU, Art. 6(1)c, stipulates that the trader is to provide the consumer with its telephone, fax and email address. The E-Commerce Directive, Art. 5(1)c, stipulates that the service provider is to provide the recipient of the service with an email address. However, these two articles do not apply to air carriers.

The baseline also incorporates foresight megatrends[105] and developments captured in the 2022 Strategic Foresight Report[106]. More specifically, it captures the trend of increasing demand for transport as population and living standards grow. The projected transport activity draws on the long-term population projections from Eurostat and GDP growth from the *Ageing Report*

[97] EU Reference scenario 2020.
[98] European Green Deal.
[99] RePower EU press release.
[100] Regulations (EC) No 261/2004 (air), (EC) No 1107/2006 (air PRM), (EU) No 1177/2010 (sea and inland waterways), (EU) No 181/2011 (bus and coach), (EU 2021/782 (rail).
[101] EUR-Lex - 52013PC0130 - EN - EUR-Lex (europa.eu), COM(2013)130 final.
[102] Available at: https://www.consilium.europa.eu/en/press/press-releases/2023/06/29/council-and-parliament-strike-a-deal-on-a-european-digital-identity-eid/.
[103] https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32022R2065.
[104] The assessment of which intermediary is covered by the DAS needs to be done on an individual basis.
[105] Megatrends.
[106] COM(2022) 289 final.

2021[107] by the Directorate General for Economic and Financial Affairs.

The total number of passengers in the EU travelling by air, bus and coach, rail and waterborne transport is projected to grow from 13.4 billion in 2019 to 15.4 billion in 2030 and 19.8 billion in 2050 (15% increase for 2019-2030 and 48% increase for 2019-2050), following the recovery from the COVID pandemic. The number of passengers travelling by air would increase from 970 million in 2019 to 1.1 billion in 2030 and 1.4 billion in 2050 (9% growth for 2019-2030 and 41% for 2019-2050), maintaining a relatively stable share in the total number of passengers between 2019 and 2050. The number of passengers travelling by rail is projected to increase faster than for air (from 8.7 billion in 2019 to 9.7 billion in 2030 and 13.3 billion by 2050), driven in particular by the completion of the TEN-T core network by 2030 and of the comprehensive network by 2050, supported by the CEF, Cohesion Fund and ERDF funding, but also by measures of the 'Fit for 55' package that increase to some extent the competitiveness of rail relative to road and air transport. The number of passengers travelling by bus and coach is projected to increase from 3.3 billion in 2019 to 4.1 billion in 2030 and 4.6 billion by 2050, with the passengers travelling above 250 km representing around 11% of the total number of passengers travelling by bus and coach. The number of passengers travelling by waterborne transport would also increase in the baseline scenario, from 418 million in 2019 to 459 million in 2030 and 569 million in 2050. Drawing on the projected number of passengers, seat capacity and occupancy rates, the total number of passenger services by air transport, rail, bus and coach and waterborne transport are estimated to increase from 107 million in 2019 to 109.1 million in 2030 and 133.8 million in 2050.

Drawing on data for the historical period collected in the context of the exploratory study on passenger rights in the multimodal context[108], the number of multimodal passengers is projected to increase from 91 million in 2019 to 103.6 million in 2030 and 150.9 million in 2050 in the baseline scenario. The air-rail passengers represent over 60% of the total multimodal passengers, air-coach passengers above 30%, while the share of rail-coach passengers is limited to around 1% of the total number of multimodal passengers. In terms of market size, the air-rail passengers represented 6.3% of the total number of passengers travelling by air in 2019 and their share is projected at 6.3% in 2030, following the recovery from the COVID pandemic, going up to 6.9% by 2050. The air-coach passengers represented around 0.9% of the total number of bus and coach passengers in 2019, going up to 1.2% by 2050 in the baseline scenario, while the rail-coach passengers represent below 0.05% of the bus and coach passengers over the whole time horizon. Expressed as share of the total number of passengers, multimodal passengers are estimated to increase from 0.7% in 2019 to 0.8% by 2050.

In the baseline scenario, the costs for airlines, bus and coach operators and the rail sector for the provision of passenger rights are projected to increase from EUR 15.7 billion in 2019 to EUR 16.8 billion in 2030 and EUR 20 billion in 2050, driven by the increase in the number of passengers over time.

The total number of PRM requests for air, bus and coach, rail and waterborne transport is projected to increase from 82.7 million in 2019 to 115.6 million in 2030 and 199.7 million in 2050, driven by the ageing population.

More details, by transport mode, are provided in section 2 of Annex 4.

[107] The 2021 Ageing Report: Underlying assumptions and projection methodologies.
[108] EY (2019), Exploratory study on passenger rights in the multimodal context.

5.2 Description of the policy options

As a first step, a comprehensive list of possible policy measures was established after extensive consultations with stakeholders, expert meetings, and independent research in the context of the impact assessment support study and the Commission's own analysis. This list was subsequently screened based on the likely effectiveness, efficiency and proportionality of the proposed measures in relation to the given objectives, as well as their legal, political and technical feasibility.

5.2.1 Discarded policy measures

Annex 6 presents the possible policy measures that were initially considered but were discarded following the screening/analysis mentioned above. A detailed overview of the reasons for discarding the policy measures can also be found in Annex 6.

5.2.2 Retained policy measures and policy options

The retained policy measures have been grouped into policy options to address separately each of the three problems, as presented in the tables below. More detailed explanations of the measures included in each policy option are provided in Annex 7.

Measures and options addressing problem 1 *(Passengers do not fully benefit from their rights due to shortcomings in implementation and enforcement)*

Table 2 provides the links between the policy measures, policy options, problem drivers and specific objectives related to problem 1.

Table 2: Links between policy measures, policy options, problem drivers and specific objectives for problem 1

Retained policy measures		Policy options		Problem drivers	Specific objectives
		PO1.1	PO1.2		
PM A.1	Industry stakeholders shall share relevant information with NEBs (all modes except rail)	✓	✓	D1	SO1
PM A.2	Carriers and terminal operators shall establish service quality standards, implement a quality management system and report on results (all modes except rail)	✓	✓	D1	SO1
PM A.3	Adoption of an EU-wide standardised form for reimbursements and compensation requests (all modes except rail)	✓	✓	D3	SO2
PM A.4	NEBs shall perform compliance monitoring activities of the industry stakeholders based on a risk assessment		✓	D2	SO1
PM A.5	Carriers and terminal operators shall improve the information to passengers about their rights, in particular at the time of booking and during journey disruptions with the view to raise awareness of passengers about those rights		✓	D3	SO2
PM A.6	NEBs (all modes except rail) shall provide information on ADR (Alternative Dispute Resolution) bodies to passengers	✓	✓	D3	SO2

Both policy options envisage introducing into all other passenger rights Regulations certain measures already existing in Regulation (EU) 2021/782 for rail passenger rights or contained in the Commission's 2013 proposal to amend Regulation (EC) No 261/2004 on air passenger rights. PM A.1, PM A.2, PM A.3 and PM A.6 are already applicable in the rail passenger rights Regulation. This means that these measures would only be proposed for non-rail carriers. These

measures increase coherence of passenger rights between modes and Regulations, enabling passengers to exercise their rights and creating a level playing field for industry stakeholders.

The main difference between the two policy options is that PO 1.1 does not go further than the harmonisation with the rail passenger rights Regulation and with the proposed amendment for the air passenger rights Regulation, while PO 1.2 would introduce two additional and complementary measures which would be new for passenger rights of all modes.

PM A.1 is based on Regulation (EU) 2021/782 on rail passenger rights, Article 32(2). 49 out of 140 respondents to the targeted stakeholder consultation considered that this measure would bring a very strong or strong contribution. In particular, NEBs (66%, 29 out of 44) chose this response. At a dedicated expert group meetings some NEBs indicated that such a measure already exists under their national law, this is why for them it has little added value, but it could have a strong contribution for other NEBs. In addition, 50% (8 out of 16) of the passenger organisations consider that it would bring a very strong or strong contribution. At the same time 35 stakeholders indicated that this measure would bring slight contribution or no contribution at all, including mostly air carriers (83% of them, 14 out of 17) and carriers in other transport modes (35% of them, 7 out of 20).

PM A.2 is based on Regulation (EU) 2021/782 on rail passenger rights, Article 29. 34 out of 140 respondents to the targeted stakeholder consultation considered that this measure would bring a strong or very strong contribution. 50% of the consumer organisations (8 out of 16) and 50% of NEBs (22 out of 44) chose this response. At the same time 32% of stakeholders (46 out of 140) indicated that this measure would bring slight contribution or no contribution: mostly air carriers (94%, 16 out of 17) and other carriers (60%, 12 out of 20) subscribed to this response. 25% of the stakeholders replying to this question did not have an opinion.

PM A.3 is based on Regulation (EU) 2021/782 on rail passenger rights, Article 18(6), 18(5), 19(5) and 19(6). PRM associations expressed very strong support for this measure (other consumer associations had mixed views). 25 out of 44 (57%) NEBs that replied to this question in the targeted online survey expressed a favourable view towards this policy measure by claiming it would have a strong or very strong contribution. 24% of carriers that replied agreed that its contribution would be moderate. On the other hand, 65% of air carriers (11 out of 18) and 45% of other carriers (9 out of 19) opposed (very strongly) this policy measure.

PM A.4 is a new measure. It was inspired by ECA's recommendation "to give the Commission mandate to perform quality control of the enforcement practices of NEBs". However, stakeholders were divided: 41 out of 146 of the stakeholders (strongly) supported it (including 7 out of 8 consumer and passenger organisations that expressed its opinion and a majority of NEBs) while 39 out of 146 (almost all carriers, and 34% of the NEBs) (strongly) opposed the ECA recommendation. Accordingly, it was decided to assess the impacts of a slightly different policy measure which would require NEBs to perform their monitoring activities according to a risk assessment and would possibly allow the Commission to assess such risk assessments and to confirm whether the monitoring activities implemented by the NEBs reflect the risks they have identified.

PM A.5 is also a new measure. It emerged during the targeted stakeholder consultation when all EU-level consumer and passenger representative organisations highlighted[109] the need to do more to raise the awareness of passengers about their rights, in particular to get accurate information from transport operators on passenger rights when booking their journeys, when a disruption occurs and on the complaint handling mechanisms. Eurobarometer surveys also show that there is a lack of awareness of passengers on their rights, so there is a need for action.

[109] Annex 2 – Stakeholder consultation synopsis report.

Accordingly, carriers and terminal operators will be obliged to improve the information to passengers about their rights ad on how to seek individual redress in particular at the time of booking and during journey disruptions with the view to raise awareness of passengers about those rights.

In relation to PM A.6, ADR bodies (3 out of 4) agree this measure would have a strong contribution. 9 of 14 (64%) infrastructure managers that replied to this question in the targeted online survey consider the measure to have a very strong or strong contribution. 22 of 46 (48%) NEBs that replied to this question in the targeted online survey showed their support towards the measure by claiming that it would have a strong or very strong contribution. Similarly, infrastructure managers (64% - 9 out of 14) consider the measure to have a very strong or strong contribution. Other stakeholders did not have such a favourable view of this measure: most airlines (63% - 12 out of 19) considered that it would bring no contribution, while ticket vendors (62% - 8 out of 13) and passenger organisation (50% - 8 out of 16) believe it would bring only a moderate contribution.

PM A.1, PM A.2 and PM A.4 contribute towards SO1 (*ensure effective and efficient enforcement of passenger rights in all Member States*). Concretely, carriers, terminal and infrastructure managers, ticket vendors and tour operators will have to provide the NEBs with relevant documents and information at the NEB's request without undue delay (PM A.1) in order to help NEBs to carry out their monitoring tasks. For the same purpose, carriers and terminal managers will be required to establish service quality standards, implement a quality management system, and additionally carriers will be also required to publish reports on the results (PM A.2). PM A.4 also contributes to SO1 by requiring NEBs to perform compliance monitoring activities (e.g. on the spot audits and inspections, verifications, website reviews, dialogue with operators etc.) based on a risk assessment they would carry out. On that basis, it is ensured that NEBs take a proactive role in assessing the need for monitoring and oversight in their Member State. The specific design of the risk assessment will be left to the Member States, as they know the best their own transport systems, individual needs and transport operators active on their territory. The requirement of publishing them will enable the Commission to assess the monitoring activities of the NEBs, enhance transparency and would lead to a better level playing field for passengers and industry stakeholders alike.

PM A.3, PM A.5 and PM A.6 contribute towards SO2 (*ensure effective complaint handling for passengers*). The Commission will adopt standardised compensation and reimbursement forms available in all official languages and in accessible formats for persons with disabilities; the forms will help citizens to submit a complete file with all the relevant details, and operators will be obliged to accept these forms (PM A.3). As under the new rail passenger rights Regulation (EU) 2021/782, NEBs responsible for the other modes and for multimodal passenger rights will also be obliged to inform passengers about the right to approach ADR bodies to seek individual redress in cases where the NEBs themselves do not have an alternative dispute resolution function[110] (PM A.6). PM A.6 will require carriers and terminal operators to improve the information on passenger rights in particular at the time of booking and when a transport disruption occurs to increase the awareness of passengers about their rights. This policy measure emerged during the targeted stakeholder consultation when consumer and passenger representative organisations highlighted[111] the need to do more to raise the awareness of passengers about their rights, in particular to get accurate information from transport operators on passenger rights when booking their journeys, when a disruption occurs and on the complaint handling mechanisms.

[110] A few NEBs also act as an ADR depending on the countries and the Regulations. Most recently, the Spanish air NEB started to act as an ADR for Regulation (EU) N°261/2004 on 2 June 2023.
[111] Annex 2 – Stakeholder consultation synopsis report.

Policy option 1.1 (PO 1.1)

The aim of this policy option – as a moderate policy option - is harmonising existing (for rail) or proposed (for air) enforcement and complaint handling rules.

NEBs will be able to request carriers, terminal and infrastructure managers, ticket vendors and tour operators to provide them with relevant documents and information without undue delay and in any event within one month from the receipt of the requests. NEBs will use such information both to carry out their general monitoring and enforcement tasks and to handle individual cases. This measure (PM A.1) already exists for rail passenger rights and it would be extended to the other transport modes.

On the basis of certain basic criteria established in the annex of the legislation to be adopted, carriers will be required (PM A.2) to establish standards on which their service quality will be measured (e.g. on the punctuality of their services, about the way they sell tickets to their customers, about how to measure consumer satisfaction, etc.). Carriers and terminal operators will have to monitor their performance on the basis of these standards: carriers will have to publish the results while terminal operators have to collect data about the results and send it to the responsible NEB if that NEB requests it. The information provided by carriers and terminal operators will help NEBs to plan and carry out their monitoring and enforcement authorities. Passengers will be able to compare the performance of different carriers and make informed decisions about which carrier to choose in the future. This measure also exists for rail passenger rights and it would be extended to the other transport modes.

The Commission will adopt an EU-wide standardised form for reimbursements and compensation requests via an implementing act. Carriers, ticket vendors and tour operators will be obliged to accept this form, but passengers will not be forced to use it. This measure (PM A.3) also exists for rail passenger rights and it would be extended to the other transport modes.

NEBs will have to inform passengers about the possibility to use alternative dispute resolution in case they do not handle individual complaints. This measure (PM A.6) also exists for rail passenger rights and it would be extended to the other transport modes.

Policy option 1.2 (PO 1.2)

This policy option contains all the policy measures listed in PO 1.1 and adds two policy measures which apply to all modes and contribute to SO1 (*Ensure effective and efficient enforcement across all Member States*) and SO2 (*Ensure effective complaint handling for passengers*).

First, NEBs will have to design and implement a risk assessment related to the operators' compliance with passenger rights. On this basis, NEBs will have to perform compliance monitoring activities of the carriers, terminal operators, ticket vendors and tour operators corresponding to the findings of the risk assessment. Minimum requirements for NEBs monitoring programmes will be defined to ensure consistency at EU level and to ensure that operators perform according to passenger rights rules (PM A.4). Second, carriers and terminal operators will have to improve information on passenger rights to increase the awareness of passengers on their rights especially when booking their journeys and when a disruption occurs including on how to submit a complaint.

Measures and options addressing problem 2 *(Insufficient protection of passengers during multimodal journeys)*

The policy measures included in the options addressing problem 2 are differentiated between ticket categories[112]. Table 3 provides the links between the policy measures, policy options, problem drivers and specific objectives related to problem 2.

Table 3: Links between policy measures, policy options, problem drivers and specific objectives for problem 2

Retained policy measures		Policy options			Problem drivers	Specific objectives
		PO2.1	PO2.2	PO2.3		
PM B.1	Industry stakeholders shall provide guidance to passengers on minimum connecting times and other useful information when switching between modes of transport (category A+B+C)	✓	✓	✓	D4/D5	SO3/SO4
PM B.2	Carriers and ticket vendors/tour operators (except SMEs) to provide real-time information to passengers (category A+B)		✓	✓	D4	SO3
PM B.3a	Right to pre-purchase information, right to reimbursement or re-routing, right to care and right to PRM assistance for passengers having a single contract of carriage (category A)	✓	✓		D4	SO3
PM B.3b	Enhanced package of rights for passengers holding a single contract of carriage (category A) (i.e. same rights as under PM B.3a + right to conclude an alternative contract)			✓	D4	SO3
PM B.4a	Essential set of rights for passengers holding separate tickets (category B) (i.e. right to pre-purchase information + right to reimbursement and penalty of 75% from ticket vendor/tour operator, unless where passengers were properly informed of separate nature of the tickets)		✓		D4	SO3
PM B.4b	Enhanced rights for passengers holding separate tickets (category B) (i.e. same B.3b). The ticket vendor is liable to ensure these rights towards the passenger unless where passengers were properly informed of the separate nature of the tickets			✓	D4	SO3
PM B.5	Ensure that Member States require the establishment of "Single Points of Contact" (SPC) for PRM at multimodal passenger hubs in urban nodes on their territory (category A+B+C)		✓	✓	D5	SO4
PM B.6	Member States may require the establishment of "Single Points of Contact" (SPC) to PRMs at other multimodal passenger hubs on their territory. (category A+B+C)		✓	✓	D5	SO4
PM B.7	Industry stakeholders to establish complaint-handling mechanisms for multimodal passengers. (category A+B+C)	✓	✓	✓	D4/D5	SO3/SO4
PM B.8	Member States authorities shall handle multimodal complaints from passengers (category A+B+C)	✓	✓	✓	D4/D5	SO3/SO4

All policy options aim to introduce measures to increase the level of protection of passengers undertaking a multimodal journey, including PRM, by mirroring measures which have already been implemented for travel with a single mode under the existing regulations on passenger

[112] See point 2.2.4 above: Multimodal travel typically involves travelling with a number of separate tickets that passengers buy separately ('category C' tickets). At the same time, some ticket vendors and tour operators bundle such separate tickets into a multimodal product on their own initiative and sell it as such to passengers in one single commercial transaction ('category B' tickets). A limited number of carriers also offer single contracts of carriage for a multimodal journey ('category A' ticket).

rights (in particular Regulation (EU) 2021/782 on rail passengers' rights and obligations). These options also take into account the outcomes and recommendations of the Commission's exploratory study of 2019 on passenger rights in the multimodal context.[113]

Three policy measures are common to all policy options: PM B.1, PM B.7 and PM B.8 and contribute to SO3 *(Increase protection of passengers facing travel disruptions in the context of multimodal journeys)*. Concretely, carriers, ticket vendors/tour operators and multimodal hub managers should provide guidance to all passengers (categories A, B and C) on minimum connecting times and other useful information when switching between modes of transport, e.g. on accessibility of transport infrastructure. The information to be provided is established on an EU-wide basis and would apply to all the above mentioned actors (PM B.1). Each carrier offering single transport contracts for multimodal journeys (category A tickets), each ticket vendor and tour operator offering combined tickets for such journeys (category B tickets) and each multimodal hub manager should also provide for an online and offline complaint-handling mechanism to deal with any issues faced by multimodal passengers (categories A, B and C - PM B.7). In addition, Member States would have to designate an authority to handle complaints from multimodal passengers (categories A, B and C). This authority would not need to be a new one, as this competence could also be added to (one of) the existing NEBs. Where the NEB and the complaint-handling body are different in a given Member State, they would have to cooperate by sharing information and identifying a lead body that serves as a single point of contact (PM B.8).

Furthermore, PM B.1 would also contribute to SO4 *(Increase information for and assistance of persons with disabilities or reduced mobility when switching between transport modes)*, as carriers, ticket vendors/tour operators and infrastructure managers would have to provide guidance to passengers on the accessibility of transport infrastructure when switching between modes of transport (categories A, B and C). In addition, PM B.7 and PM B.8 would also contribute to SO4, where they ensure that PRM would be able to submit a complaint through the online and offline complaint-handling mechanism of the above mentioned undertakings (PM B.7), respectively could turn to a NEB (PM B.8) (categories A, B and C for both PMs).

With regard to PM B.1 on providing useful information to passengers when switching between modes of transport, airlines and their representative organisations remarked, during the dedicated stakeholder workshop, the difficulties in obtaining information that they often do not have (e.g. on connecting times), and the increase in the operational costs related to the required changes to the IT systems supporting booking arrangements and to additional resources needed to identify the mentioned information. On the other hand, ticket vendors are generally supportive of the introduction of a measure encouraging carriers and ticket vendors to provide passengers with information such as time schedules on every part of their multimodal trip. One organisation of airports and one organisation for rail stations stressed the importance of adequate communication channels in this context.

As regards PM B.7 on the establishment of offline and online complaint handling mechanisms by industry stakeholders, 56 out of 136 respondents (41%) to the targeted stakeholder survey stated that this measure would provide a (very) strong contribution to solving the problem, of which 11 out of 16 passengers and consumer organisations (69%), 3 out of 3 PRM organisations, 3 out of 4 ADR bodies (75%), 6 out of 11 infrastructure managers (54%) and 25 out of 42 NEBs (60%). On the other hand, 10 out of 13 air carriers (76%), 11 out of 25 carriers for other modes (44%) and 4 out of 11 infrastructure managers (36%) replied that this measure would bring a slight or no contribution. On PM B.8 on the designation of a national authority to handle multimodal complaints, 43 out of 144 respondents to the targeted stakeholder survey (30%) agreed that this measure would bring a (very) strong contribution to solving this problem,

[113] European Commission, Exploratory study on passenger rights in the multimodal context.

including 9 out of 17 passengers and consumer organisations (57%), 3 out of 3 PRM organisations, and 17 out of 42 NEBs (40%). On the other hand, 5 out of 12 air carriers (42%), 9 out of 25 carriers for other modes (36%) and 8 out of 42 NEBs (20%) consider that this measure would only bring a slight or no contribution.

Policy Option 2.1 (PO 2.1)

The objective of PO 2.1 is to provide passengers with all ticket categories a basic level of protection to ensure that they receive information and assistance when they undertake a multimodal journey. This policy option aims at providing some basic rules, in particular for passengers having concluded a single contract of carriage with a carrier for a multimodal journey (category A), except where these contracts concern journeys with an air leg.[114] For the more frequent cases of passengers having separate tickets (whether they were bundled by intermediaries (category B) or by passengers themselves (category C)), the policy measures would ensure that carriers, intermediaries and terminal operators provide useful information to all passengers, e.g. on the type of ticket they bought and on minimum connecting times (PM B.1). Under PO 2.1, passengers having a single contract of carriage for a multimodal journey (category A) would be granted a number of key rights, in particular the right to have pre-purchase information on a number of elements relevant to the journey, the right to choose between reimbursement or re-routing in the event of a missed connection, as well as the right to care (e.g. refreshments, meals, accommodation). In addition, PRM would have a right to non-discriminatory transport contract conditions for single contracts for multimodal journeys, and those contracts should entail a right to free assistance of PRM (PM B.3a). This measure would therefore address both SO3 and SO4.

With regard to PM B.3a, 73 out of 134 (54.5%) of stakeholders that replied to this question during the targeted consultation consider that the introduction of a right to reimbursement or re-routing for passengers having a single contract of carriage would provide a strong or very strong contribution to solving the problem. In particular, passengers and consumer organisations (13 out of 16 – 81%), intermediary ticket vendors (9 out of 11 – 82 %) and NEBs (28 out of 42 – 66%) consider that such a measure would bring a (very) strong contribution to solving the problem, while air carriers (7 out of 12 – 58%) and carriers for other modes (13 out of 25 – 52%) believe that such a measure would have a slight or no contribution. A similar picture can be drawn with regard to the introduction of a right to care, where 70 out of 133 (52.6%) stakeholders responding to this question during the targeted stakeholder consultation consider that introducing such a measure for passengers having a single contract of carriage would provide a strong or very strong contribution to solving the problem. In particular, 13 out of 16 (81%) passengers and consumers organisations; 7 out of 10 (70%) intermediary ticket vendors; and 28 out of 45 (67%) NEBs consider that such a measure would bring a (very) strong contribution to solving the problem, whereas most carriers for air (7 out of 12 – 58%) and almost half of carriers for other modes (12 out of 25 – 48%) consider that such a measure would bring a slight or no contribution to solving the problem.

Policy Option 2.2 (PO 2.2)

This option aims at providing a more comprehensive level of protection for passengers travelling in a multimodal context than PO 2.1. In particular, it is foreseen under PO 2.2 that passengers (category A and B) should get real-time information on disruptions and possible

[114] The proposal to amend Regulation (EC) No 261/2004 on air passenger rights of March 2013 (see section 1.2) already includes a reference to single contracts for a multimodal journey with an air leg, where it provides under the new Article 3(4) of that Regulation that *"(…) where a part of the journey is carried out, in accordance with a contract of carriage, by another mode of transport [than air transport by fixed wing aircraft] (…), this Regulation shall apply for the whole journey and the part of the journey carried out by another mode of transport shall be considered as a connecting flight for the purposes of this Regulation."*, COM(2013)130 final.

next connections during the journey (where technically feasible). The obligation to provide real-time information would not apply to SMEs (PM B.2). In addition, passengers having booked a multimodal journey comprising of separate tickets by means of a single commercial transaction through a ticket vendor or tour operator (category B) would be better protected. In case the intermediary does not inform the passengers correctly that they bought separate tickets, the intermediary would be liable and owe the passenger a right to pre-purchase information, a right to reimbursement and a penalty of 75%of the ticket price (PM B.4a).[115]

Whereas PM B.2 and PM B.4a would tackle SO3, PO 2.2 would also see the introduction of rules on the establishment of "Single Points of Contact" (SPC) to ensure assistance to PRM when switching between modes at multimodal passenger hubs in urban nodes and possibly beyond (PM B.5 and PM B.6 – both categories A, B and C), thereby contributing to achieving SO4. The terminal manager(s) and carriers operating at the multimodal passenger hub would have to cooperate to set up the SPC. These hubs are connection points between at least two transport modes for passengers, where travel information, access to public transport and transfers between modes are ensured (i.e. specific airports, railway stations, ports or bus terminals). The SPC would accept individual requests for assistance at multimodal passenger hubs and communicate these to terminal operators and carriers.

As regards PM B.2 (provision of real-time information), one consumer organisation argued that in case of travel disruptions, intermediaries should be held liable to inform consumers in real-time and to inform them on the possible re-routing options. Airlines and their representative organisations highlighted the difficulties in providing real-time information on journey disruption where passengers booked via a ticket vendor. One rail carrier referred to current technical limitations making it difficult to implement this measure. Ticket vendors specified that such a measure would only be feasible if carriers were obliged to share information with intermediaries.

With regard to PM B.4a, 39 out of 133 stakeholders (29.3%) that contributed during the targeted stakeholder consultation believe that introducing a right to reimbursement for passengers having a ticket category B, on the condition that ticket vendors/tour operators did not properly inform them of the separate nature of the transport contracts sold to them, would bring a (very) strong contribution to solving the problem (including 43% of NEBs – 18 out of 41 - and 32% of passengers and consumer organisations – 5 out of 16). At the same time, 41 out of 133 stakeholders (30.8%) stated that such a measure would bring a slight or no contribution (including 67% of air carriers – 8 out of 14; 40 % of carriers for other modes 10 out of 25; 55% of intermediary ticket vendors – 6 out of 11; and 25% of passengers and consumer organisations – 4 out of 16).

As regards the introduction of "Single Points of Contact" for PRM (PM B.5 and B.6), 60 out of 143 stakeholders (42%) consider that this would (very) strongly contribute to solving the problem, while 50 out of them (35%) consider that such a measure would bring only a slight or no contribution. It follows from the targeted stakeholder consultation that views on the matter are mixed throughout all stakeholder categories.

Policy Option 2.3 (PO 2.3)

This option aims to introduce a further level of protection for multimodal passengers compared to PO2.2. In particular, this option would bring an additional right to passengers having a single contract of carriage (category A) where they miss a connection during a multimodal journey

[115] This sanction, including the penalty threshold of 75%, is directly inspired from Article 12 (4) of Regulation (EU) 2021/782 that provides for an identical sanction in the context of rail travel. Therefore, in order to ensure coherence, no other thresholds were considered.

compared to what is provided under PM B.3a and would therefore come on top of the right to reimbursement/re-routing, the right to care and the right to PRM assistance. This additional right would consist of the entitlement for a passenger to conclude an alternative transport contract with other transport providers where a carrier does not make provision for the continuation of a passenger's journey within a defined time limit, and to the reimbursement of the costs incurred by the passenger to this effect (PM B.3b). In addition, this option would provide stronger sanctioning rules in case ticket vendors and tour operators do not inform passengers having category B tickets correctly about the separate tickets they received: passengers would be protected as if they had bought a single ticket with a full set of rights (i.e. right to reimbursement or re-routing, right to care, right to conclude an alternative contract, right to non-discrimination and free assistance for PRM). Ticket vendors and tour operators would however be exempted from any liability where they properly informed passengers of the separate nature of the tickets (PM B.4b).

The targeted stakeholder consultation on PM 3b shows that 60 out of 134 respondents (44.8%) would bring a (very) strong contribution to solving the problem (including 81% of passengers and consumer organisations – 13 out of 16; 64% of intermediary ticket vendors – 10 out of 11; and 45% of NEBs – 19 out of 42), while 33 out of 134 respondents (26.2%) stated that this would bring a slight or no contribution (including 75% of air carriers – 9 out of 12; and 60 % of carriers for other modes – 15 out of 25). On PM B.4b, 55 out of 134 stakeholders (41%) that replied to this question consider that this would (strongly) contribute to solving the problem (including 91% of intermediary ticket vendors – 10 out of 11; 45% of NEBs – 19 out of 42; and 32% of passengers and consumer organisations – 5 out of 16), while 39 out of them (29.1%) believe that such a measure would bring a slight or no contribution (including 92% of air carriers – 11 out of 12;, 36% of carriers for other modes – 9 out of 25; and 44% of passengers and consumer organisations – 7 out of 16).

Table 4 summarises the ramifications of each of the policy options for every type of multimodal ticket.

Table 44: Overview of policy options and policy measures per multimodal ticket category

	Category A (Single contract)	Category B (Separate tickets combined and sold by ticket vendor)	Category C (Separate tickets at passenger's own initiative)
PO 2.1	Pre-purchase information *(PM B.1)* Basic set of passenger rights *(PM B.3a)* Complaint-handling by industry and NEBs *(PM B.7 & B.8)*	Pre-purchase information *(PM B.1)* Complaint-handling by industry and NEBs *(PM B.7 & B.8)*	Pre-purchase information *(PM B.1)* Complaint-handling by industry and NEBs *(PM B.7 & B.8)*
PO 2.2	Pre-purchase information *(PM B.1)* Real-time information *(PM B.2)* Basic set of passenger rights *(PM B.3a)* Single Point of Contact *(PM B.5 & B.6)* Complaint-handling by industry and NEBs *(PM B.7 & B.8)*	Pre-purchase information *(PM B.1)* Real-time information *(PM B.2)* Information on separate nature of tickets *(PM B.4a)* Single Point of Contact *(PM B.5 & B.6)* Complaint-handling by industry and NEBs *(PM B.7 & B.8)*	Pre-purchase information *(PM B.1)* Single Point of Contact *(PM B.5 & B.6)* Complaint-handling by industry and NEBs *(PM B.7 & B.8)*
PO 2.3	Pre-purchase information *(PM B.1)* Real-time information *(PM B.2)*	Pre-purchase information *(PM B.1)* Real-time information *(PM B.2)*	Pre-purchase information *(PM B.1)* Single Point of Contact *(PM B.5 & B.6)*

	Category A (Single contract)	Category B (Separate tickets combined and sold by ticket vendor)	Category C (Separate tickets at passenger's own initiative)
	Enhanced set of passenger rights *(PM B.3b)* Single Point of Contact *(PM B.5 & B.6)* Complaint-handling by industry and NEBs *(PM B.7 & B.8)*	Information on separate nature of tickets *(PM B.4b)* Single Point of Contact *(PM B.5 & B.6)* Complaint-handling by industry and NEBs *(PM B.7 & B.8)*	Complaint-handling by industry and NEBs *(PM B.7 & B.8)*

Measures and options addressing problem 3 *(Reimbursement rules are unclear when flights were booked via an intermediary)*

Table 5 provides the links between the policy measures, policy options, problem drivers and specific objectives related to problem 3.

Table 5: Policy measures, policy options, problem drivers and specific objectives for problem 3

Retained policy measures		Policy Options			Problem drivers	Specific objectives
		PO3.1	PO3.2	PO3.3		
PM C.1a	Intermediaries and carriers to inform passengers on the reimbursement process. The carrier has to reimburse the passenger always directly even when an intermediary is involved. **The passenger may only request it to the carrier, which performs it without the involvement of the intermediary.**	✓			D6	SO5
PM C.1b	Intermediaries and carriers to inform passengers on the reimbursement process. **The carrier can decide whether the passenger has to request the reimbursement from the (MoR) intermediary or the carrier**. It can do so on an individual intermediary basis. The MoR intermediary can disagree with processing reimbursement requests for (certain or all) carriers and needs to inform about this. If the carrier decides to carry out the reimbursement by itself: like PO 3.1).		✓		D6	SO5
PM C.1c	Intermediaries and carriers to inform passengers on the reimbursement process. **The passenger has the option to choose between (MoR) intermediary and carrier** for requesting reimbursement (when carrier: like PO 3.1; when intermediary: like PO 3.2, with the difference that the intermediary may charge a fee for processing the reimbursement request). **Intermediaries** to inform whether they charge a fee for the reimbursement request			✓	D6	SO5
PM C.2a	Intermediary **may not charge a fee** for processing the passenger's reimbursement request		✓		D6	SO5
PM C.2b	Intermediary **may charge a fee** for processing the passenger's reimbursement request			✓	D6	SO5
PM C.3	**MoR Intermediary** to enable the passenger (with the data needed, and which only the intermediary has, such as carrier booking reference) to request the reimbursement directly to the carrier	✓			D6	SO5

Retained policy measures		Policy Options			Problem drivers	Specific objectives
		PO3.1	PO3.2	PO3.3		
PM C.4	Additional rules when intermediaries which are a 'Merchant of Record' are involved: 1. When the passenger requests the reimbursement: intermediary to enable the passenger (with the data needed and which only the intermediary has, such as carrier booking reference) to request the reimbursement directly to the carrier. If the intermediary does not agree to process the reimbursement request, it shall enable the passenger at booking, with the data needed and which only he has, to request the reimbursement directly from the carrier. 2. Carrier shall reimburse the intermediary at the latest within 7 days, in one transaction, via the same payment method used at the time of booking and linking the payment with the original booking reference. The intermediary has to reimburse the passenger at the latest within another 7 days. 3. If the intermediary did not receive the carrier's reimbursement, with the result that the intermediary did not reimburse the passenger within 14 days, a. The passenger can request the reimbursement from the carrier. The carrier shall reimburse the passenger within 7 days, or: b. The intermediary can (voluntarily) reimburse the passenger by advancing the money to the carrier.[116] 4. If the intermediary received the carrier's reimbursement and did not reimburse the passenger within 14 days, the passenger can request the reimbursement from the carrier.		✓	✓	D6	SO5

Three policy options have been developed to address problem 3 and contribute to SO5. They provide clarity to all parties concerned (passengers, air carriers, intermediaries) on the reimbursement process and responsibilities. All options foresee obligations on carriers and intermediaries to inform passengers about the reimbursement process. They complement what is already foreseen in the Commission proposal of 2013 to revise rules in the air transport sector[117] on information obligations during disruptions and passenger claims.

Policy Option 3.1 (PO 3.1)

PO 3.1 foresees that the passenger may only request the reimbursement from the carrier. This option reflects best the current legal situation in the sense that it is the air carrier's responsibility to reimburse the passenger. The option implies that intermediaries must enable passengers to do so, by providing them with the necessary data[118], i.e. usually the carrier's booking reference or the carrier's e-ticket number or the passenger name record (PNR) number[119].

[116] No right of redress is foreseen for the intermediary against the carrier as it already exists due to the carrier's obligation to reimburse the intermediary within 7 days.

[117] COM(2013) 130 final of 13/03/2013, Art. 14.5-7: In the event of cancellation or delay in departures, the operating air carrier shall inform passengers who booked via an intermediary, if the intermediary provided the airline with the contact details of the passenger (for which the passenger needs to give his explicit and written authorisation, on an "opt-in" basis). Alternatively, the intermediary may use an "*alternative system of informing passengers if it can prove the existence of an alternative system that ensures that the passenger is informed without the transmission of the relevant contact details*". See also Art. 16a on air carrier contact addresses for passengers to submit claims.

[118] According to stakeholder evidence, not all intermediaries provide the passenger with the carrier's booking reference.

[119] 'PNR' means a record of each passenger's travel requirements which contains information necessary to enable reservations to be processed and controlled by the booking and participating air carriers for each journey booked by or on behalf of any person.

In the targeted stakeholder consultation, 9 out of 17 (53%) consumer organisations that participated supported this option, as well as 17 out of 30 (57%) NEBs. 17 out of 18 (94%) airlines and 7 out of 14 (50%) intermediaries claimed that this option[120] would not bring any contribution, while 5 out of 14 (35%) ticket vendors consider that the measure has a very strong or strong contribution. The airlines opposing this option do so because administrative costs would increase for them: the requests addressed to airlines would need to be dealt with mostly in a manual way (need for identification, bank account, checking whether the passenger launched a credit card chargeback as well). Intermediaries which oppose it do so because they want to continue processing their customers' reimbursements and retaining the exclusive relationship with them[121]. The credit card companies involved in the consultation process stressed the importance of holding the "Merchant of Record" (actor responsible for the processing of the payment) liable for the reimbursement, using the same channel for the purchase of the ticket, in line with the "reversal of the original payment flow" principle[122]. PO 3.1 is not in line with this principle.

Policy Option 3.2 (PO 3.2)

Option 3.2 foresees that the carrier can decide whether the passenger has to request the reimbursement from the intermediary (provided the intermediary agrees to this) or the carrier (in this case, the procedure is the one outlined under PO 3.1). In both cases, the reimbursement process is free of charge for the passenger. The carrier can take different decisions on the way forward involving particular or all intermediaries[123]. This option reflects best the different ticket distribution models of air carriers currently being practiced on the market: some (the majority) do involve intermediaries, and some do not (or prefer not to), and how air carriers currently reimburse passengers. Under the intermediary procedure, a new, separate payment deadline of 7 days for the Merchant of Record intermediary is introduced: the carrier pays the intermediary within 7 days, after which the intermediary pays the passenger within an additional 7-day period[124].

The carrier remains ultimately responsible: if the carrier decided in favour of processing the reimbursement via the intermediary and did not pay the intermediary in time, with the result that the intermediary did not pay the passenger within 14 days, the passenger has the right to request the reimbursement from the carrier. In this case, as in PO 3.1, the intermediary needs to provide the passenger with the data needed to request the reimbursement from the carrier. If the intermediary received the carrier's reimbursement and did not reimburse the passenger within 14 days, the passenger can also request the reimbursement from the carrier.

In the targeted stakeholder consultation, the procedure via the intermediary[125] (without any pre-financing by the intermediary) was supported by 18 of 19 (90%) carriers that responded to this question, 12 of 13 (93%) intermediaries, 11 of 30 (37%) NEBs, 4 of 6 (67%) national public authorities, and 10 of 17 (59%) passenger and consumer organisations. A carrier umbrella

[120] Measure 2.2.8 of the targeted stakeholder consultation: "Passenger requests and receives reimbursement only from the carrier. Ensure that air carriers implement an accessible procedure to allow passenger to easily identify themselves and provide the payment details to the airline, at no cost to the passenger, including by means of an online form on the carrier's website and a call centre."

[121] A European umbrella organisation of online travel agents expressed its disagreement with this option, *inter alia* because it would force intermediaries to hand over passengers' data to the airlines even when they could process the refund request themselves and retain their relationship with the customer.

[122] Original payment flow is passenger to intermediary to ticket vendor (2 separate transactions).

[123] This means that the carrier can decide the intermediary procedure for intermediary X, and the carrier procedure for intermediary Y.

[124] The additional 7-day payment deadline for the Merchant of Record intermediary would also create an alignment with the Package Travel Directive, which foresees that the organiser (a Merchant of Record intermediary) refunds all payments made not later than 14 days.

[125] Option A, Policy measure 2.2.1. of the targeted stakeholder consultation.

organisation and intermediaries and their associations have advocated for an additional 7-day timeframe for the situation when an additional financial transaction by the intermediary to the passenger is required, which this option foresees. For the case where the airline does not reimburse the intermediary in time, an association of intermediary ticket vendors asked for the intermediary to be able to choose whether to pre-finance the reimbursement, or to refer the customer to the airline for the reimbursement, which PM C4 also foresees.

Policy Option 3.3 (PO 3.3)

PO 3.3 allows the passenger to choose to request the reimbursement either to the intermediary or to the carrier, but in the latter case, the intermediary may charge a fee for processing the reimbursement request (PM C.2b). The procedure for the case that the passenger chooses to go via the intermediary is the same as the intermediary procedure under PO 3.2; for the carrier-only procedure, it is the same as under PO 3.1.

This option comes closest to the proposal of a European consumer organisation[126], namely "joint and several liability" between the online intermediaries and the transport operators, allowing consumers to direct their claim to both. However, the Commission did not retain the principle of joint and several liability and discarded this measure (see annex 6 for reasons), but chose to retain the principle of the passenger being allowed to approach either of the two (air carrier or intermediary). PO 3.3 was not part of the stakeholder consultation. It can be expected that, similar to PO 3.1, airlines which currently use the reversal of the payment flow method would, in general, oppose this option, as it would most likely increase the amount of direct reimbursement requests made to them (and possibly to intermediaries at the same time). There would also be an increased risk of double payments by the airlines.

Intermediaries which want to retain the exclusive relationship with the customer would possibly also be against this option (but still favour it over PO 3.1.), as a certain percentage of passengers who, under the baseline, would have their reimbursement request processed by the intermediary, might choose the carrier instead. A positive point for them would be the possibility to charge fees for processing the refund request. In a position paper, the European umbrella association of online intermediaries disagreed with any legislation restricting the commercial decision of intermediaries whether to charge a fee or not for the refund request.

6 IMPACTS OF THE POLICY OPTIONS

This section summarises the main expected economic, social and environmental impacts of each policy option (PO)[127]. The proposed measures are assumed to be implemented from 2025 onwards, so the assessment has been undertaken for the 2025-2050 period and refers to EU27. Costs and benefits are expressed as present value over the 2025-2050 period, using a 3% discount rate. Further details on the methodological approach, including the assumptions used for the estimations and detailed tables on costs and costs savings by policy option, measure and stakeholder group for 2025-2050 and individual years (2025, 2030 and 2050) relative to the baseline are provided in Annex 4 (section 3).

6.1 Economic impacts

This section provides the economic impacts of the policy options on carriers, terminal operators, intermediaries, public authorities, claim agencies and passengers and consumers. It also provides

[126] See BEUC position paper "Passenger Rights 2.0: Towards Better Consumer Protection and a More Resilient travel Sector (https://www.beuc.eu/sites/default/files/publications/BEUC-X-2022-125_Better_Protection_of_Passengers_and_their_Rights.pdf), p. 9: "joint and several liability between online intermediaries and transport operators, which would allow consumers to direct their claims to both".

[127] The analysis in this section is based on the IA support study and on the analysis of stakeholders' feedback.

an assessment of impacts on SMEs, functioning of the internal market and competition, digitalisation and territorial impacts. The assessment of economic impacts draws on multiple data sources, including the targeted stakeholders' consultation (interviews and survey) and public consultation, and findings from desk research in the context of the impact assessment support study.

6.1.1 Impacts on carriers

It has been estimated that a total of 4,733 carriers are affected by this initiative: 3,778 are bus and coach operators, 523 waterborne transport operators, 238 railway undertakings and 149 air carriers (section 2.2 of Annex 4 provides details on the sources of the data used). The number of operators by transport mode are assumed to remain stable over time. New rules applying to air carriers will apply to EU and non-EU carriers operating flights departing from an airport located on the territory of an EU Member State.

6.1.1.1 Administrative costs for carriers

Options related to enforcement (problem area 1). Both **PO 1.1** and **PO 1.2** are expected to lead to administrative costs for air, bus and coach and waterborne carriers, relative to the baseline. No additional costs are envisaged for rail carriers, since the respective obligations are part of the baseline. These costs are generated by the requirement to report by carriers (PM A.2) on the result of the implementation of the quality standards set up under the policy measure and are expected to lead to recurrent administrative costs estimated at **EUR 5.1 million** per year from 2025 onwards (EUR 34,782 for air carriers, EUR 4.4 million for bus and coach operators and EUR 0.6 million for waterborne transport operators), amounting to **EUR 93.1 million** expressed as present value over 2025-2050 (EUR 640 thousand for air carriers, EUR 81.2 million for bus and coach operators and EUR 11.2 million for waterborne transport operators). The reason for the high costs for the bus and coach sector, is the relatively high number of operators (3,778 bus and coach operators) out of the 4,450 carriers affected by PM A.2 (149 air carriers, 3,778 bus and coach operators and 523 waterborne carriers).

The administrative costs per carrier are however estimated to be limited, at EUR 1,136 on average per year (EUR 233 on average per year per air carrier and EUR 1,167 on average per year per bus and coach and waterborne transport operator). The proposed reporting obligations for operators are essential to ensure proper monitoring and enforcement of passenger rights by the NEBs. They directly address shortcomings identified by the European Court of Auditors in its report. They will also allow passengers to make informed decision about which carrier to choose based on their record of complying with passenger rights. More transparency brought by these reports will increase competition between carriers and make an impetus for them to better comply with passenger rights.

Options related to multimodal passenger rights (problem area 2). Policy options PO 2.2 and PO 2.3 are expected to lead to small recurrent administrative costs for carriers, estimated in total at EUR 6,770 per year from 2025 onwards (EUR 467 for air carriers, EUR 6,069 for bus and coach operators and EUR 233 for waterborne carriers) or EUR 124,649 expressed as present value over 2025-2050 relative to the baseline (EUR 8,596 for air carriers, EUR 111,754 for bus and coach operators and EUR 4,298 for waterborne transport operators). These costs are associated to the obligation on carriers to provide real-time information to passengers (PM B.2)[128]. Only a small number of carriers would be affected (29 carriers in total, of which 2 air carriers, 26 bus and coach operators and 1 waterborne transport operator) due to the SME

[128] The one-off costs due to PM B.2 serve a broader scope than pure information reporting. By implementing real-time information provisions and integrating communication systems to multimodal passengers, their aim is to enable better services for multimodal passengers in case of disruptions and delays. For this reason, the one-off costs have been classified as adjustment costs.

exemption applied to this measure. The administrative costs per carrier are estimated to be limited, at EUR 233 on average per year per carrier.

Options related to intermediaries (problem area 3). When reimbursements are carried out by air carriers, i.e. not via the Merchant of Record intermediary who booked the tickets, the former are expected to incur additional recurrent administrative costs associated with processing manual reimbursements (as automatic reversal of payment is not possible). This is expected to lead to recurrent administrative costs under PO 3.1 (EUR 73.9 million in 2025, EUR 80.6 million in 2030 and EUR 104.1 million in 2050)[129] and, to a lesser extent, under PO 3.3 (EUR 14.8 million in 2025, EUR 16.1 million in 2030 and EUR 20.8 million in 2050)[130]. In PO 3.2, no additional recurrent administrative costs for carriers are projected as it is expected that the number of requests for reimbursement to carriers remains unchanged compared to the baseline.

In addition, limited one-off administrative costs are expected in PO 3.1, PO 3.2 and PO 3.3 to update the information disclosed to passengers on their reimbursement process. These costs are estimated in total at EUR 69,563 in 2025 for the 149 air carriers affected, or EUR 467 per air carrier.

Expressed as present value over 2025-2050, total one-off and recurrent administrative costs for air carriers are estimated at EUR 1.6 billion in PO 3.1, at EUR 0.07 million in PO 3.2 and EUR 323.5 million in PO 3.3.

6.1.1.2 Adjustment costs for carriers

Options related to enforcement (problem area 1). Under both **PO 1.1** and **PO 1.2,** carriers are expected to incur one-off adjustment costs to establish service quality standards and to implement the quality management system (PM A.2)[131], amounting in total at **EUR 10.2 million** in 2025 (see Table 6). Of these, approximately EUR 8.8 million are costs for the bus and coach sector, EUR 1.2 million for the waterborne sector and EUR 174 thousand for all air carriers. Per carrier, they are estimated at EUR 2,334 on average for the bus and coach and waterborne transport operators and at EUR 1,167 for air carriers.

Additionally, adapting carriers' complaint handling systems to be able to handle standardised reimbursement and compensation claims (PM A.4) is estimated to lead to one-off adjustment costs of **EUR 519 thousand** in **PO 1.1 and PO 1.2**, assuming half a working day per carrier to adjust their information systems. Costs for rail carriers are not considered as they are already subject to this obligation under the baseline. Of these, approximately EUR 441 thousand are costs for bus and coach operators, EUR 61 thousand for waterborne transport operators and EUR 17 thousand for air carriers. Per carrier, the one-off adjustment costs are estimated at EUR 117 in 2025.

Moreover, **PO 1.2** also requires carriers to adapt their communication systems to improve the provision of information to passengers about their rights especially when booking the ticket and when a disruption occurs (PM A.6) which is estimated to lead to **EUR 5.3 million** one-off adjustment costs, relative to the baseline[132]. Of these costs, approximately EUR 4.4 million are

[129] Per air carrier, they are estimated at around EUR 619 thousand on average per year for 2025-2050.
[130] Per air carrier, they are estimated at around EUR 124 thousand on average per year for 2025-2050.
[131] Air carriers already publish reports and comply with normative standards that could be used to comply with this measure, hence 5 additional working days are estimated to be needed for air carriers, while 10 working days are estimated to be needed for bus and coach, and waterborne carriers.
[132] This is based on the assumption that rail carriers need one additional working day (per carrier) and air carriers, bus and coach and waterborne carriers 5 additional working days to adapt their communication systems. The effort for the rail carriers is expected to be lower due to the provisions included in Articles 30 and 33(1) of Regulation (EU) 2021/782. Thus, a large part of the costs related to this measure for rail carriers are part of the baseline.

incurred by bus and coach operators, EUR 610 thousand by waterborne transport operators, EUR 66 thousand by rail operators and EUR 174 thousand by air carriers.

Overall, **PO 1.1** is expected to lead to one-off adjustment costs estimated at **EUR 10.7 million** and **PO 1.2** at **EUR 16 million** in 2025 (see Table 6). The higher costs in PO 1.2 are explained by PM A.6, which is only included in this option.

Options related to multimodal passenger rights (problem area 2). Under **PO 2.1**, carriers would be required to provide guidance to passengers on minimum connecting times and other useful information when switching between modes of transport (PM B.1); would have to ensure a basic set of rights for passengers holding a single contract of carriage (category A) (PM B.3a); and would have to establish an online and offline complaint-handling mechanism (PM B.7). The total adjustment costs for PO 2.1 are estimated at EUR 20.6 million for all carriers, expressed as present value over 2025-2050.

PO 2.2 leads to higher adjustment costs, estimated at EUR 35.2 million expressed as present value over 2025-2050 for all carriers, generated by the requirement that carriers provide real-time information to passengers (PM B.2)[133] and by an essential set of rights for passengers having bought separate tickets from a ticket vendor/tour operator for a multimodal journey (PM B4.a). Finally, **PO 2.3** leads to the highest adjustment costs for all carriers, estimated at EUR 38.9 million expressed as present value over 2025-2050, which is justified by the fact that it enhances the package of rights to both ticket categories A and B passengers (PM B.3b and PM B4.4b).

Out of the total adjustment costs presented above, one-off costs for all carriers represent EUR 0.12 million in PO 2.1, and around EUR 14.7 million in PO 2.2 and PO 2.3.

Options related to intermediaries (problem area 3). No adjustment costs for carriers are expected due to PO 3.1, PO 3.2 and PO 3.3.

Table 6: Recurrent and one-off costs for carriers for policy options under problem area 1, expressed as present value over 2025-2050 relative to the baseline, in million EUR (2021 prices)

	Difference to the Baseline	
	PO 1.1	PO 1.2
Administrative costs	93.07	93.07
PM A.2	93.07	93.07
Adjustment costs	10.73	15.99
PM A.2	10.21	10.21
PM A.4	0.52	0.52
PM A.6		5.26
Total costs	103.80	109.06

Source: PWC, TIS and Steer (2023), Impact assessment support study

Table 7: Recurrent and one-off costs for carriers for policy options under problem area 2, expressed as present value over 2025-2050 relative to the baseline, in million EUR (2021 prices)

	Difference to the Baseline		
	PO 2.1	PO 2.2	PO 2.3
Administrative costs	0.00	0.12	0.12
PM B.2		0.12	0.12

[133] The one-off adjustment costs due to PM B.2 serve a broader scope than pure information reporting. By implementing real-time information provisions and integrating communication systems to multimodal passengers, their aim is to enable better services for multimodal passengers in case of disruptions and delays. For this reason, the one-off costs have been classified as adjustment costs rather than administrative costs.

	Difference to the Baseline		
	PO 2.1	PO 2.2	PO 2.3
Adjustment costs	20.60	35.22	38.95
PM B.1	0.12	0.12	0.12
PM B.2		14.50	14.50
PM B.3a	20.10	20.10	
PM B.3b			23.83
PM B.4a		0.12	
PM B.4b			0.12
PM B.7	0.39	0.39	0.39
Total costs	20.60	35.34	39.07

Source: PWC, TIS and Steer (2023), Impact assessment support study

Table 8: Recurrent and one-off costs for carriers for policy options under problem area 3, expressed as present value over 2025-2050 relative to the baseline, in million EUR (2021 prices)

	Difference to the Baseline		
	PO 3.1	PO 3.2	PO 3.3
Administrative costs	1,617.22	0.07	323.50
PM C.1a	1,617.22		
PM C.1b		0.07	
PM C.1c			323.50
Total costs	1,617.22	0.07	323.50

Source: PWC, TIS and Steer (2023), Impact assessment support study

6.1.1.3 Benefits for carriers

Options related to enforcement (problem area 1). **PO 1.1** and **PO 1.2** offer indirect benefits for carriers. More specifically, PM A.1 will allow NEBs to deal with non-compliance faster as they can request documents needed within clear deadlines from all involved, which will lead to quicker and more efficient procedures for the NEBs which will also help carriers. PM A.2 will lead to increased transparency about the compliance of all operators. As carriers will be obliged to publish reports[134] on their service quality performance, including customer satisfaction and compliance with passenger rights, passengers will have an increased insight into the different carrier's performance, and be able to use this information to decide which carrier to use. Compliant operators can benefit from this transparency and may gain a competitive advantage thanks to their good reputation, as passengers will be more likely to choose a well performing carrier over a carrier which shows lower customer satisfaction and compliance rates. If carriers will use the common form for reimbursement and compensation requests foreseen in PM A.3 as a model to design their IT systems for handling such requests, carriers will then have the necessary information faster and the cooperation with the NEBs and ADR bodies regarding such requests will also have the potential to become more efficient. If NEBs inform passengers regularly about ADR as required in PM A.6, this may save carriers litigation costs, because ADR procedures tend to be much less expensive, not only for passengers, but also for operators[135].

The benefits for carriers in PO 1.2 are expected to be higher than in PO 1.1. PM A.4 would allow a level playing field for operators because their compliance costs would be more similar: currently compliance cost depend on a great extent whether the NENs supervising the carrier

[134] This new reporting obligation will be introduced in case of modes (air, bus and coach and waterborne) where such obligation does not exist yet. In case of rail transport, the obligation is already in place. Therefore this policy measure will not apply to rail transport and the reporting obligation of rail operators will not be duplicated.
[135] See impact assessment for the review of the ADR Directive SWD (2023) 335.

in question are more passive or lenient or active and very stringent. Published risk assessments, which NEBs will base their monitoring on, will allow carriers to know what parameters they are judged upon and this will enable them to more effectively comply and thus prevent having to allocate resources to the additional monitoring by NEBs. Additionally, PM A.5 will enable passengers to submit more well-informed claims, as they become more knowledgeable on the rights. This will add to the efficiency of the carriers' internal claims handling procedures, as passengers are more likely to provide all the necessary information with the initial claim, which will reduce the time carriers spend on the claim. Additionally, more well-informed passengers are less likely to make unjustified claims due to uncertainty of their rights, which will again reduce time spend by carriers on claims.

Options related to multimodal passenger rights (problem area 2). **PO 2.2** and **PO 2.3** offer indirect benefits to carriers. The proposed measures specifically target category B tickets (PMs B.4a and B.4b) and put the onus for information to passengers and liability in the event of missed connections during a multimodal journey on ticket vendors and tour operators.

In addition, all policy options (PO 2.1, PO 2.2 and PO 2.3) are expected to result in **hassle costs savings** for multimodal transport operators due to less time spent for handling complaints (PM B.7). Under a conservative approach, the hassle costs savings for multimodal transport operators are estimated at **EUR 35.3 million** expressed as present value over 2025-2050 relative to the baseline[136].

Options related to intermediaries (problem area 3). **PO 3.2** offers the substantial indirect benefit to carriers that they will be able to (continue to) invest in the reimbursement procedure for indirect bookings that best suits their business model – even on the level of particular intermediaries, if they want to. If they choose the intermediary procedure, they will be able to refuse to process direct requests by passengers and benefit from the easier and cheaper 'reversal of the payment flow', as long as they pay the intermediary within the deadline (and the intermediary also respects its payment deadline). If they choose the carrier-only procedure, they will be able to refuse to cooperate with intermediaries for the reimbursement, which is particularly relevant for airlines which do not authorise or do not prefer using intermediaries (and intermediaries purchase their tickets nevertheless, on behalf of the passenger). **PO 3.3** does not offer this benefit of the carrier's choice of procedure, as the passenger can choose. **PO 3.1** is only of benefit to the (minority of) air carriers which currently choose to carry out the reimbursement procedure fully on their own. **PO 3.2** is also very well suited for a carrier with an exclusive direct distribution model, which can decide not to involve intermediaries. Intermediaries whom the carrier did not authorise to carry out the reimbursement will no longer be able to include the reimbursement in their business model and circumvent the carriers' prohibition or dislike of involving them. Both carrier and intermediary will need to clearly communicate the carrier's decision through the information obligation. PO 3.2 and PO 3.3 contain rules that facilitate the B2B relationship of airlines with intermediaries for the processing of reimbursements.

[136] Drawing on a study by the World Bank (Source: https://thedocs.worldbank.org/en/doc/3ecf7262788a3ec69c8a45bbd3342a28-0080022021/related/Spring2021-governance-talk-asli-0525.pdf), each complaint handling would benefit of 15 minutes saved under a conservative approach (lower bound) and up to 60 minutes saved (upper bound). In order to calculate the hassle costs savings, an hourly worker's wage corresponding to ISCO 3 (Technicians and associate professionals) is assumed and an even repartition of complaints between transport operators and intermediary ticket vendors, in lack of detailed information. Under a conservative approach (lower bound estimates), the hassle costs savings for multimodal transport operators are estimated at EUR 35.3 million expressed as present value over 2025-2050. For the upper bound, they are estimated at EUR 141.3 million. More details on the estimates are provided in Annex 4 (section 3.2).

6.1.2 Impacts on terminal operators

6.1.2.1 Administrative costs for terminal operators

Options related to enforcement (problem area 1). As regards **PO 1.1** and **PO 1.2**, PM A.2 will require terminal operators to report at the request of NEBs about the results of the implementation of their quality standards. This will add administrative costs for terminal operators. Based on the assumption that this would require 5 additional working days per year for each of the 546 terminal operators, the recurrent administrative costs per year are estimated at **EUR 127 thousand**, or **EUR 2.3 million** expressed as present value over 2025-2050 (see Table 9). Per terminal operator, they are estimated at EUR 233 per year.

Options related to multimodal passenger rights (problem area 2) and intermediaries (problem area 3). None of the policy options related to multimodal passenger rights (PO 2.1, PO 2.2 and PO 2.3) or intermediaries (PO 3.1, PO 3.2 and PO 3.3) are expected to lead to additional administrative costs for terminal operators.

6.1.2.2 Adjustment costs for terminal operators

Options related to enforcement (problem area 1). Under both **PO 1.1** and **PO 1.2**, the establishment of service quality standards and the implementation of a quality management system (PM A.2), is expected to lead to one-off adjustment costs for terminal operators of **EUR 1.3 million**[137]. In addition, **PO 1.2** leads to one-off adjustment costs for adapting terminal operators' communication systems to better inform passengers about their rights, especially when booking a ticket or when a transport disruption occurs (PM A.5), estimated at **EUR 637 thousand**[138]. In total, **PO 1.1** is estimated to result in one-off adjustment costs of **EUR 1.3 million** for terminal operators relative to the baseline, and **PO 1.2** at costs of **EUR 1.9 million**. The higher costs in PO 1.2 are explained by PM A.5, which is only included in this option (see Table 9).

Options related to multimodal passenger rights (problem area 2). Under all options (PO 2.1, PO 2.2 and PO 2.3) terminal operators acting as multimodal hub managers are required to provide guidance to passengers on minimum connecting times and other useful information when switching between modes of transport (PM B.1), and to establish an online and offline complaint-handling mechanism (PM B.7). The one-off adjustment costs due to PM B.1 are estimated at EUR 0.2 million in 2025 and the recurrent adjustment costs due to PM B.7 at EUR 49,488 per year (EUR 0.9 million expressed as present value over 2025-2050) relative to the baseline (see Table 10).

In addition, PM B.5, that is only included in PO 2.2 and PO 2.3, requires the establishment of Single Points of Contact (SPC) for PRM at multimodal hubs, which leads to significantly higher adjustment costs (both one-off and recurrent) under these two options. The one-off adjustment costs are estimated at EUR 4.2 million, while the recurrent adjustment costs at EUR 21.2 million in 2025, and around EUR 17 million in 2030 and 2050. Expressed as present value over 2025-2050, total adjustment costs due to PM B.5 are estimated at EUR 316.5 million relative to the baseline. The costs are associated to additional personnel needed to implement the SPC devoted to arranging the assistance of passengers with disabilities or reduced mobility (PRMs), and the establishment of a central point which connects the already existing request procedures for passenger assistance in each mode. There would be no additional costs under this measure related to the actual provision of assistance to PRM, as the SPC would act as a central

[137] This is based on the assumption that 10 working days would be required to implement the system.
[138] This is based on the assumption that 5 additional working days would be needed to update and implement the communication systems.

communication point between PRMs requesting assistance, on the one hand, and the existing PRM assistance mechanisms of terminal operator(s) and carriers, on the other hand.

These SPCs are assumed to be operated by one main terminal manager (airport, station, port or bus terminal manager) operating at a multimodal passenger hub, who would have to cooperate with other carriers and other terminal managers (if several of the latter are active at a given hub). It is assumed that all costs are borne by the main terminal manager, and that the amount of the costs would not vary depending on the nature of the terminal manager (i.e. regardless, of whether they are an airport, station, port or bus terminal manager). Individual arrangements might be put in place for specific Single Points of Contacts where carriers might also take up part of the costs, but this would depend on a case-by-case basis. For this reason, it is not possible to estimate the costs for carriers. In addition, it should be noted that none of the terminal operators at multimodal hubs fall in the category of SMEs. Thus, none of the adjustment costs due to PM B.5 are borne by SMEs.

Thus, the total adjustment costs for all terminal operators, expressed as present value over 2025-2050, are estimated at **EUR 1.1 million** for **PO 2.1** and **EUR 317.6 million** for **PO 2.2** and **PO 2.3** (see Table 10).

Options related to intermediaries (problem area 3). No impacts are expected for terminal operators for the policy options addressing problem area 3.

Table 9: Recurrent and one-off costs for terminal operators for policy options under problem area 1, expressed as present value over 2025-2050 relative to the baseline, in million EUR (2021 prices)

	Difference to the Baseline	
	PO 1.1	PO 1.2
Administrative costs	2.35	2.35
PM A.2	2.35	2.35
Adjustment costs	1.27	1.91
PM A.2	1.27	1.27
PM A.5		0.64
Total costs	3.62	4.26

Source: PWC, TIS and Steer (2023), Impact assessment support study

Table 10: Recurrent and one-off costs for terminal operators for policy options under problem area 2, expressed as present value over 2025-2050 relative to the baseline, in million EUR (2021 prices)

	Difference to the Baseline		
	PO2.1	PO2.2	PO2.3
Adjustment costs	1.11	317.64	317.64
PM B1	0.20	0.20	0.20
PM B5		316.53	316.53
PM B7	0.91	0.91	0.91
Total costs	1.11	317.64	317.64

Source: PWC, TIS and Steer (2023), Impact assessment support study

6.1.2.3 Benefits for terminal operators

Options related to enforcement (problem area 1). **PO 1.1** and **PO 1.2** offer indirect benefits for terminal operators, similar to those described for carriers. The benefits for terminal operators are expected to be higher in PO 1.2 relative to PO 1.1, due to PM A.5 which is only included in PO 1.2.

Option related to enforcement (problem area 2). In addition, PO 2.2 and PO 2.3 are expected to result in indirect benefits for terminal operators operating at multimodal passenger hubs. In

particular, the establishment of Single Points of Contact (PM B.5) would lead to improved communication channels, not only with other carriers but also with other terminal operators where several of them are operating at the same hub.

6.1.3 Impacts on intermediaries

6.1.3.1 Administrative costs for intermediaries

There are no impacts on administrative costs expected for intermediaries for policy options addressing problem area 1.

Options related to multimodal passenger rights (problem area 2). Policy options PO2.2 and PO2.3 are expected to lead to small recurrent administrative costs for intermediaries due to PM B.2, estimated at EUR 1,401 per year for the 6 intermediaries affected (EUR 233 per intermediary). Expressed as present value over 2025-2050, they amount to EUR 25,789 relative to the baseline.

Options related to intermediaries (problem area 3). Under all **POs 3.1, 3.2, and 3.3** intermediaries would incur one-off administrative costs of **EUR 57.4 million** for informing passengers about the reimbursement process (equivalent to two working days of a worker per intermediary). Those intermediaries that currently take longer than 7 days to reimburse to their customers might have to invest in processes to expedite this. Under the CPC action against three major online intermediaries, these three agreed to transfer refunds received from airlines within seven days, which supposes that this measure will not be too difficult for intermediaries to meet[139]. In addition, the new PM C4 will facilitate the task of intermediaries, as it expected that carriers will have to link each reimbursement payment to the original booking number, and transfer the amount to the intermediary in one single transaction to the original method of payment (something which was, according to intermediaries, often missing in the past and made their work more difficult).

Under **PO 3.2**, a carrier with an exclusive direct distribution model can decide not to involve intermediaries for the reimbursement. Intermediaries which so far, despite the carrier's prohibition, processed the reimbursement and offered this as part of their business model, will no longer be able to do so. However, we consider that in this case, the intermediary will recover this loss through a minor increase of another fee charged to the passenger, and that this will not impact the intermediary's business model.

6.1.3.2 Administrative cost savings for intermediaries

No administrative costs savings are expected for intermediaries for policy options addressing problem area 1 and 2.

Options related to intermediaries (problem area 3). Under **PO 3.1**, intermediaries would save administrative costs of EUR 37.8 million in 2025, EUR 41.3 million in 2030 and 53.3 million in 2050, because they would no longer be handling passengers' reimbursement requests. Under **PO 3.3,** assuming that intermediaries would no longer process 20% of reimbursement requests which they would have handled under the baseline, cost savings for intermediaries are estimated at EUR 7.6 million in 2025, EUR 8.3 million in 2030 and EUR 10.7 million in 2050[140].

[139] The press release on this CPC action was published on 27 June 2023: https://ec.europa.eu/commission/presscorner/detail/en/ip_23_3521.

[140] However, intermediaries may incur indirect costs as a result of no longer being able to offer the processing of reimbursements to their customers (and to airlines, as part of their agreements with them) as part of their service package. It may also damage to a certain extent their business model of maintaining an exclusive relationship

Intermediaries may lose the revenues they may have through handling fees for reimbursement requests. However, given that these fees are likely to represent a small increase in the average ticket fare in percentage terms, this is unlikely to have a considerable negative effect on the business model of intermediary ticket vendors[141]. Expressed as present value over 2025-2050, administrative cost savings under PO 3.1 amount to EUR 828.5 million and under PO 3.3 to EUR 165.7 million.

6.1.3.3 Adjustment costs for intermediaries

Options related to enforcement (problem area 1). Under both **PO 1.1** and **PO 1.2** (see Table 11), intermediaries incur one-off adjustment costs of **EUR 14.4 million** associated to the obligation to accept standardised claim forms for reimbursement and compensation and the need to adjust their information systems (PM A.3)[142].

Options related to multimodal passenger rights (problem area 2). Adjustment costs for intermediaries relative to the baseline are driven by: (i) two measures common to all three policy options (i.e. PM B.1 requiring intermediaries to provide guidance to passengers on minimum connecting times and other useful information when switching between modes of transport, and PM B.7 requiring intermediaries to establish an online and offline complaint-handling mechanism); (ii) a policy measure common to PO 2.2 and PO 2.3 which obliges intermediaries to put in place a system for providing real-time information to passengers (PM B.2); (iii) a policy measure common to PO 2.1 and PO 2.2 (PM B.3a) concerning a set of rights that apply to single contracts of carriage (category A), and which is included in an enhanced version (i.e. PM B.3b gives passengers having such contract a "right to self re-routing") in PO 2.3; and (iv) a policy measure included in PO 2.2 ensuring information to passengers holding separate tickets for a multimodal journey acquired from an intermediary, failing which intermediaries have to ensure essential rights towards the passenger (category B) (PM B.4a), which is included in PO 3.2 in its enhanced version (PM B.4b). Expressed as present value over 2025-2050, intermediary ticket vendors are expected to incur total adjustment costs of EUR 0.4 million in PO 2.1, EUR 3.4 million in PO 2.2 and EUR 3.6 million in PO 2.3 (see Table 12). Out of these, EUR 0.1 million in PO 2.1, EUR 3.2 million in PO 2.2 and EUR 3.3 million in PO 2.3 are one-off costs.

No adjustment costs are expected for intermediaries for policy options addressing problem area 3.

Table 11: Recurrent and one-off costs for intermediaries for policy options under problem area 1, expressed as present value over 2025-2050 relative to the baseline, in million EUR (2021 prices)

	Difference to the Baseline	
	PO 1.1	PO 1.2
Adjustment costs	14.36	14.36
PM A.3	14.36	14.36
Total costs	14.36	14.36

Source: PWC, TIS and Steer (2023), Impact assessment support study

Table 12: Recurrent and one-off costs for intermediaries for policy options under problem area 2, expressed as present value over 2025-2050 relative to the baseline, in million EUR (2021 prices)

with their customers. No data on this is available, but during the stakeholder consultation, intermediaries and their associations have pointed out that they want to continue processing the reimbursements of their customers.

[141] PM C4 will facilitate the reimbursement processing of intermediaries by obliging the carriers to add the relevant data to each booking, and to transfer the money in one transaction to the original payment method. According to intermediaries' feedback, this is often missing today, which makes their task much more difficult. Also, if intermediaries do not want to forego any reimbursement fee, they can decide to not carry out the reimbursement.

[142] This implementation cost per intermediary is estimated at EUR 117. An additional half a working day would be needed for each of the 123,000 intermediaries to implement these changes.

	Difference to the Baseline		
	PO2.1	PO2.2	PO2.3
Administrative costs	0.00	0.03	0.03
PM B.2		0.03	0.03
Adjustment costs	0.38	3.44	3.55
PM B.1	0.06	0.06	0.06
PM B.2		3.00	3.00
PM B.3a	0.06	0.06	
PM B.3b			0.11
PM B.4a		0.06	
PM B.4b			0.11
PM B.7	0.26	0.26	0.26
Total costs	0.38	3.46	3.58

Source: PWC, TIS and Steer (2023), Impact assessment support study

Table 13: Recurrent and one-off costs for intermediaries for policy options under problem area 3, expressed as present value over 2025-2050 relative to the baseline, in million EUR (2021 prices)

	Difference to the Baseline		
	PO3.1	PO3.2	PO3.3
Administrative costs	57.42	57.42	57.42
PM C.1a	57.42		
PM C.1b		57.42	
PM C.1c			57.42
Administrative costs savings	828.47	0.00	165.69
PM C.1a	828.47		
PM C.1c			165.69
Net costs savings	771.04	-57.42	108.27

Source: PWC, TIS and Steer (2023), Impact assessment support study; Note: negative values represent net costs.

6.1.3.4 Benefits for intermediaries

Options related to enforcement (problem area 1). **PO 1.1** and **PO 1.2** offer indirect benefits for intermediaries, similar to those for carriers, and terminal operators. PM A.1 will help NEBs to deal with non-compliance faster when they can request documents needed within clear deadlines from all involved. This leads to quicker and more efficient procedures of information sharing between NEBs and intermediaries, which in turn will require less resources from the intermediary. Having deadlines aligned across Member State NEBs, will also make the process easier for the intermediary, as the process does not differ from NEB to NEB. With the introduction of an EU-wide standardised form for reimbursement and compensation requests due to PM A.4, intermediaries can – while not being obliged to – use this form as a model to design their IT systems for handling such requests. Intermediaries will then have the necessary information for claim handling faster and the cooperation with the NEBs and ADR bodies regarding such requests will also have the potential to become more efficient and require less resources for the intermediary.

The benefits are expected to be higher in **PO 1.2** relative to **PO 1.1**, because PM A.4 further expands the competitive advantage of well performing intermediaries. Published risk assessments, which NEBs will base their monitoring on, will ensure that intermediaries know what parameters they are judged on, which will enable intermediaries to more effectively comply and thus prevent having to allocate resources to additional monitoring by NEBs.

Options related to multimodal passenger rights (problem area 2). All policy options (PO 2.1, PO 2.2 and PO 2.3) are expected to result in **hassle costs savings** for intermediaries due to less

time spent for handling complaints (PM B.7). Under a conservative approach, the hassle costs savings for intermediaries are estimated at **EUR 24 million** expressed as present value over 2025-2050 relative to the baseline[143]. **PO 2.2 and 2.3** offer additional indirect benefits to intermediaries (ticket vendors/tour operators). The policy measures targeted to Category B-tickets (PM B.4a and B.4b) provide for a possible exemption to liability towards the passenger in the event of a missed connection during a multimodal journey. This is conditional on the provision of information to passengers that the tickets bought from the intermediary constitute separate transport contracts.

Options related to intermediaries (problem area 3). **PO 3.2 and 3.3** offer **indirect benefits** for intermediaries (under the procedure that includes the intermediary). If the carrier, under PO 3.2, or the citizen, under PO 3.3, so decides, the intermediary receives an official role in the reimbursement process, and rules on 'who pays whom first', and what happens when this is not adhered to. This facilitates the B2B relationship between airline and intermediary. If the carrier does not pay the intermediary in time, the intermediary can send the passenger to the carrier, and its role in the reimbursement procedure ends. If intermediaries voluntarily reimburse to the passenger without having received the payment from the carrier first, they have an implicit right of redress towards the carrier, due to the obligatory transaction from the carrier to them within 7 days. **PO 3.1** is beneficial for those intermediaries who do not want to deal with reimbursements. Under PO 3.2 and 3.3, intermediaries can also refuse to process reimbursement requests, but will then have to pass on certain data to the passenger, at booking, which may not be in the intermediary's interest.

6.1.4 Impacts on national public authorities

6.1.4.1 Administrative costs for national public authorities

Options related to enforcement (problem area 1). **PO 1.2** is expected to lead to recurrent administrative costs for national public authorities, for designing and regularly updating their risk assessment (PM A.4). Under a conservative approach, 10 working days per year per national public authority are expected to be needed, resulting in administrative costs estimated at **EUR 1.4 million** (see Table 14), expressed as present value over 2025-2050 (EUR 76 thousand per year). No administrative costs are expected for **PO 1.1.**

There are no impacts on administrative costs expected for national public authorities for policy options addressing problem area 2 and 3.

6.1.4.2 Adjustment costs for national public authorities

Options related to enforcement (problem area 1). In both **PO 1.1** and **PO 1.2** NEBs would have to inform passengers about their option to use ADR bodies to seek individual redress as well as refer them to the ADR (PM A.6). This is expected to be achieved by adding information on the ADR process and a reference to the EU ADR Database on their website. The effort

[143] Drawing on a study by the World Bank (Source: https://thedocs.worldbank.org/en/doc/3ecf7262788a3ec69c8a45bbd3342a28-0080022021/related/Spring2021-governance-talk-asli-0525.pdf), each complaint handling would benefit of 15 minutes saved under a conservative approach (lower bound) and up to 60 minutes saved (upper bound). In order to calculate the hassle costs savings, an hourly worker's wage corresponding to ISCO 3 (Technicians and associate professionals) is assumed and an even repartition of complaints between transport operators and intermediary ticket vendors, in lack of detailed information. Under a conservative approach (lower bound estimates), the hassle costs savings for intermediaries are estimated at EUR 24 million expressed as present value over 2025-2050. For the upper bound, they are estimated at EUR 96 million. More details on the estimates are provided in Annex 4 (section 3.2).

required has been estimated at half a working day on one-off basis per NEB, leading to one-off adjustment costs estimated at EUR 24,439 in 2025 relative to the baseline[144].

There are no impacts on adjustment costs expected for national public authorities for policy options addressing problem area 2 and 3.

6.1.4.3 Enforcement costs for national public authorities

Options related to enforcement (problem area 1). **PO 1.1** and **PO 1.2** are expected to lead to enforcement costs for national public authorities. The recurrent costs for monitoring the implementation of the quality standards (PM A.2), which will consist in reviewing the reports of carriers and the information provided by terminal operators, are estimated at **EUR 5.2 million** expressed as present value over 2025-2050 relative to the baseline (EUR 281 thousand per year). Total enforcement costs in **PO 1.1** and **PO 1.2** are estimated at **EUR 7.2 million** over 2025-2050 relative to the baseline (EUR 392 thousand per year).

Options related to multimodal passenger rights (problem area 2). Enforcement costs are estimated overall at **EUR 19.4 million** for **PO 2.1,** expressed as present value for 2025-2050 relative to the baseline, to monitor stakeholders' activities. The enforcement costs are higher in **PO 2.2** and **PO 2.3**, estimated at **EUR 23.3 million** relative to the baseline for all national authorities. The additional costs relate to PM B.2 to monitor the real-time information to passengers on disruption, and PM B.5 to monitor the establishment of "Single Points of Contact" (SPC) for PRM (see Table 15).

Options related to intermediaries (problem area 3). The enforcement costs for national public authorities of options PO 3.1, PO 3.2 and PO 3.3 are part of the enforcement costs of PM A.5 (enforcement area).

6.1.4.4 Enforcement costs savings for national public authorities

Options related to enforcement (problem area 1). Some of the policy measures would ensure that NEBs could use their limited resources more efficiently for the enforcement of passenger rights. For **PO 1.1** and **PO 1.2**, the implementation of quality standards (PM A.2) is estimated to result in recurrent enforcement costs savings of **EUR 1.5 million**, expressed as present value over 2025-2050 (EUR 82 thousand per year), by reducing the need to use other, more expensive monitoring tools (e.g. inspecting or auditing a larger number of stakeholders). Additionally, the adoption and use of standardised reimbursement and complaint forms (PM A.3) is estimated to result in 5% time savings of one full time equivalent per NEB, as it will help NEBs to more easily monitor compliance with reimbursement and complaint handling obligations by the industry. The costs savings due to PM A.3 are estimated at **EUR 1.5 million** over 2025-2050 (EUR 82 thousand per year). In addition, raising the awareness of passengers about the possibility of submitting reimbursement and compensation claims to an ADR body (PM A.6) is expected to save costs for courts, due to the expected decrease in the number of litigations cases. The costs savings due to PM A.6 relative to the baseline, are projected at **EUR 2.9 million** expressed as present value over 2025-2050 (EUR 155 thousand per year).

There are no impacts on enforcement costs savings expected for national public authorities for policy options addressing problem area 2 and 3.

Table 14: Recurrent and one-off costs and costs savings for national public authorities for policy options under problem area 1, expressed as present value over 2025-2050 relative to the baseline, in million EUR (2021 prices)

[144] For estimating the costs due to PM A.6, 174 NEBs are considered (31 for air, 32 for air PRM, 41 for waterborne and 70 for buses and coaches) and an hourly worker's wage corresponding to ISCO 2 (professionals).

	Difference to the Baseline	
	PO 1.1	PO 1.2
Adjustment costs	0.02	0.02
PM A.6	0.02	0.02
Administrative costs	0.00	1.40
PM A.4		1.40
Enforcement costs	7.21	7.21
PM A.2	5.17	5.17
Enforcement costs savings	5.86	5.86
PM A.2	1.50	1.50
PM A.3	1.50	1.50
PM A.6	2.86	2.86
Net costs	1.38	2.77

Source: PWC, TIS and Steer (2023), Impact assessment support study

Table 15: Recurrent and one-off costs for national public authorities for policy options under problem area 2, expressed as present value over 2025-2050 relative to the baseline, in million EUR (2021 prices)

	Difference to the Baseline		
	PO2.1	PO2.2	PO2.3
Enforcement costs	19.42	23.34	23.34
PM B2		1.93	1.93
PM B3a	9.94	9.94	
PM B3b			9.94
PM B5		1.99	1.99
PM B7	5.29	5.29	5.29
PM B8	4.19	4.19	4.19
Hassle costs savings	71.42	71.42	71.42
PM B8*	71.42	71.42	71.42
Net benefits	51.99	48.08	48.08

*Source: PWC, TIS and Steer (2023), Impact assessment support study; Note: * stands for the lower bound estimate.*

6.1.4.5 Hassle costs savings for national public authorities

There are no hassle costs savings expected for national public authorities for policy options addressing problem area 1.

Options related to multimodal passenger rights (problem area 2). In PO 2.1, PO 2.2 and PO 2.3, NEBs would benefit of hassle costs savings for processing the complaints from passengers concerning multimodal journeys (due to PM B.8). Drawing on a study by the World Bank[145], under a conservative approach, the hassle costs savings are estimated at **EUR 71.4 million**, expressed as present value over 2025-2050 relative to the baseline[146].

Options related to intermediaries (problem area 3). During the Commission's regular meetings with NEBs, many NEBs raised the issue of an increase in complaints by passengers due to the unclear situation of which body (carrier or intermediary) would process reimbursement

[145] Source: https://thedocs.worldbank.org/en/doc/3ecf7262788a3ec69c8a45bbd3342a28-0080022021/related/Spring2021-governance-talk-asli-0525.pdf.

[146] Each complaint handling would benefit of 15 minutes saved under a conservative approach (lower bound) and up to 60 minutes saved (upper bound). In order to calculate the hassle costs savings, an hourly worker's wage corresponding to ISCO 2 (professionals) has been used. The hassle costs savings for national public authorities, expressed as present value over 2025-2050, are estimated at EUR 71.4 million (lower bound) to 285.7 million (upper bound) relative to the baseline.

requests. Whilst this administrative burden on NEBs is impossible to calculate due to lack of data, the clarity which all options would provide on this matter would alleviate the burden on NEBs in this regard.

6.1.5 Impacts on consumers

Options related to enforcement (problem area 1). Both **PO 1.1** and **PO 1.2** will have a positive impact on consumers. The standardised reimbursement and compensation claim forms (PM A.3) will make it easier to submit effective claims to carriers, terminal operators and intermediaries, and will ease a later enforcement process, should the claim be escalated to a complaint. Passengers will benefit from reduced hassle costs because submitting claims using such forms will require much less time (i.e. the standardised form will be easy to fill in, it will be available in all EU official languages, it will allow the passenger to submit a complete file so that the transport operators will not need to go back and ask for additional documents or information and it will be accessible for persons with disabilities). Under a conservative approach, the total benefits for passengers due to PM A.3 are estimated at **EUR 147 million**, expressed as present value over 2025-2050 relative to the baseline[147] (see Table 16).

The implementation of service quality standards (PM A.2) will lead to benefits for consumers relative to the baseline, as they will be able to make better choices when purchasing tickets, based on more information about the respective carriers and terminal operators. The increased awareness among consumers about the option to seek reimbursement and compensation trough an ADR body (PM A.6) will likewise serve as a benefit for consumers. More passengers may seek individual redress compared to the baseline, and more passengers may also use an ADR body to resolve their claim, instead of resorting to the more costly option of a court case. The costs savings associated to PM A.6 are estimated at **EUR 1.6 million**, expressed as present value over 2025-2050 relative to the baseline (see Table 16). The ongoing review of the ADR Directive will further increase the attractiveness of ADR and allow consumers to benefit from it. In addition, under **PO 1.2,** the better information of passengers by carriers and terminal operators about rights when booking a ticket or in case of a transport disruption (PM A.5) will further help citizens to learn and understand their rights as passengers, which ultimately is a precondition to exercise and enjoy them. Although no reliable quantitative estimate is possible, PM A.5 is expected to benefit 95.9 million passengers in 2025 (including passengers from air transport, long-distance bus and coach transport, waterborne transport and rail transport), 109 million passengers in 2030 and approximately 134 million passengers in 2050.

As NEBs will have to be more transparent about their monitoring of compliance under PM A.4, this would contribute to the level playing field of passenger protection throughout the Union, as it will provide incentives for harmonized and higher enforcement standards across Member States.

Table 16: Benefits for consumers for policy options under problem area 1, expressed as present value over 2025-2050 relative to the baseline, in million EUR (2021 prices)

[147] With a more accessible claim form, that is developed with the passenger's needs in mind, it is estimated that a passenger that files a claim would spend 10 to 30 minutes less for finding and filing in the claim. To calculate the hassle costs savings due to PM A.3, the baseline projections on the number of passengers travelling by air and long-distance bus and coach are used as a starting point. For passengers travelling by air, the share of passengers requesting reimbursements is assumed to be 3%, while for passengers travelling by long-distance bus and coach it is assumed to be 1.7%. In addition, under a conservative assumption, 5% of passengers that submit a claim are estimated to use the standardised form for reimbursement. Considering the consumer value of time estimated at EUR 22.7 per hour in 2021 prices, and the time saved of 10 minutes (lower bound estimate) to 30 minutes (upper bound estimate), the hassle costs savings are estimated at EUR 147 million (EUR 120.6 million for air passengers and EUR 26.4 million for bus and coach passengers) to EUR 441.1 million (EUR 361.7 million for air passengers and EUR 79.3 million for bus and coach passengers), expressed as present value over 2025-2050 relative to the baseline.

	Difference to the Baseline	
	PO 1.1	PO 1.2
Benefits for consumers	148.67	148.67
PM A.3	147.02	147.02
PM A.6	1.65	1.65

Source: PWC, TIS and Steer (2023), Impact assessment support study

The stakeholder consultation did not result in any evidence that measures related to enforcement would lead to an increase in the ticket prices. In addition, the experience of the past ten to twenty years, which was overall a period of traffic growth for all modes of transport, indicates that the costs of implementing the passenger rights Regulations for operators have been low and sustainable for both passengers and operators (from a few cents per maritime and bus and coach passenger to a few euros per air passenger)[148]. As the costs associated with the measures included in this impact assessment are lower than those associated to the implementation of the entire passenger rights framework, the additional cost per passenger will be lower than these amounts. For these reasons cost pass-through to passengers is estimated not to be significant – or could be absorbed largely by the carriers. For example, regarding enforcement, some potential for cost pass-through has been identified with regard to the policy measure on the EU standardised claims form and the policy measure on ADR information. However, the potential increase in ticket prices is limited to the year of implementation and the cost per passenger is estimated at EUR 0.001. As such, the potential of cost pass-through is not an issue considering the very limited additional costs per passenger.

Options related to multimodal passenger rights (problem area 2). All policy options addressing problem area 2 (**PO 2.1, PO 2.2** and **PO 2.3**) would entail benefits for passengers planning or undertaking a journey with two or more transport modes.

In particular, the quality of a multimodal journey offered as a single contract (category A) would increase under PM B.3a (included in PO 2.1 and PO 2.2), where passengers having concluded those contracts would enjoy a **level of protection comparable to passengers travelling with a single mode of transport (right to reimbursement/rerouting and care)**. Under PM B.3b (included in PO 2.3), there would be an additional right for passengers having a category A ticket, to conclude an alternative transport contract in the event of a missed connection. The latter measure implies that any reasonable cost borne by the passenger to re-route in the event of a missed connection, in the absence of an offer by the carrier, would have to be borne by the carrier.

The right to reimbursement/re-routing for passengers performing a multimodal journey under a category A ticket implies that passengers would avoid costs associated to re-routing in the event of a missed connection. The costs savings for reimbursement/re-routing are estimated at **EUR 13.2 million** for PM B3.a (in PO 2.1 and PO 2.2), expressed as present value over 2025-2050 relative to the baseline, while for PM B.3b, which includes the right to conclude an alternative transport contract, at **EUR 15.7 million** (in PO 2.3). Regarding the right to care, passengers may incur costs savings related to expenses on refreshments, meals, and accommodation in the event of a missed connection. The costs savings for care are estimated at **EUR 6.8 million** for PM B3.a (in PO 2.1 and PO 2.2), expressed as present value over 2025-2050 relative to the baseline, and at **EUR 8.1 million** for PM B.3b (in PO 2.3). The total costs

[148] The 2021 evaluation on bus and coach and waterborne transport showed that the additional cost for the entire passenger rights protection framework for these modes amounted to approximately 0.05 EUR per passenger (0.40 for bus and coach if only bus and coach journeys over 250 km are counted). For the air PRM Regulation, each air passenger bears 0.55 to their fare (meaning EUR 75 per PRM in 2018). For air passenger rights, these are around 6% of operating costs items in 2018 for low-cost carriers and around 3% of operating costs items in 2018 for network carriers (EUR 4.4). See fact-finding air passenger rights study 2019-20; evaluations studies of 2020-21 for bus, ship and air PRM passenger rights Regulations.

savings for reimbursement/re-routing and care are estimated at **EUR 20.1 million** for PM B3.a (in PO 2.1 and PO 2.2), expressed as present value over 2025-2050 relative to the baseline, while for PM B.3b at **EUR 23.8 million** (in PO 2.3).

Passengers would also benefit of more transparent and comprehensive travel information in the context of multimodal journeys. Improved pre-purchase information on multimodal travel, including on the level of protection associated to particular transport ticket(s) (PM B.1), will allow passengers to make better-informed decisions about their travel options, and may influence their purchasing behaviour of multimodal solutions. Thus, passengers may use more multimodal travel, due to increased confidence and less time spent on journey travel research (such as on connecting times between transport services or the access of certain transport infrastructure). This may also indirectly result into less financially uncertain choices or decisions to use single mode transport options, when informed of the risks. Providing real-time information to passengers, thereby providing transparency on possible delays, cancellations as well as on next connections (PM B.2) may also have a positive impact on consumer trust.

In this context, it should be noted that it is not likely that extra costs for the implementation of information rights will be passed on to customers in the form of higher prices for multimodal tickets. In particular with regard to the implementation of pre-journey information to passengers on minimum connecting times and other useful information in the context of multimodal travel (PM B.1), the analysis shows that providing such information comes at a minimal cost for the undertakings concerned. Regarding the provision of real-time information on travel disruptions and next connections (PM B.2), the costs for the undertakings concerned are mitigated to a large extent by two factors. First, large airlines already provide some sort of information to passengers on disruptions, and railway undertakings are assumed to have already implemented the necessary systems to provide real-time information to passengers in line with the new Regulation on rail passenger rights. Second, SMEs are exempted from delivering real-time information, implying that only a handful of carriers in the bus and coach sector and the waterborne sector, as well as only a few ticket vendors would be affected by this measure[149].

PRMs would also benefit of **hassle costs savings** in POs 2.2 and PO 2.3 thanks to the Single Points of Contact (PM B.5). Considering that PRMs make on average 2 phone calls to request assistance and that each of these calls takes on average 30 minutes, PRMs may save 30 to 60 minutes to request assistance in their multimodal journeys where they would only have to make one such call to the Single Point of Contact. Under a conservative approach (lower bound estimate), assuming 30 minutes saved to request assistance, the potential hassle cost savings for PRMs are estimated at **EUR 277.3 million**, expressed as present value over 2025-2050 relative to the baseline[150] (see Table 17). This should also support an increase in PRM confidence to travel, based on improved expectation of being granted adequate assistance on multimodal travels while reducing the number of requests made by the PRM for a given journey.

Hassle costs savings for PRMs are also expected due to PM B.3a (in PO 2.1 and PO 2.2) and PM B.3b (in PO 2.3). In particular, PRMs having a single contract of carriage may save 40 to 60 minutes per multimodal journey when arranging assistance. Thus, under a conservative approach (lower bound estimate), the **hassle costs savings** for PRMs are estimated at **EUR 18.6**

[149] See section 6.1.1 and Annex 4.

[150] Considering the total number of PRMs requests for long-distance bus and coach journeys and for rail and waterborne journeys and the share of multimodal market, the number of PRM requests affected is estimated at 737,044 in 2025, 950,122 in 2030 and 2,176,299 in 2050 relative to the baseline. The time saved per PRM request is estimated at 30 (lower bound) to 60 (upper bound) minutes. Using the consumer value of time estimated at EUR 22.7 per hour in 2021 prices, the hassle costs savings per PRM request are estimated at EUR 11.4 (lower bound) to 22.7 (upper bound). Expressed as present value over 2025-2050, total hassle costs savings for all PRMs due to PM B.5 are estimated at EUR 277.3 million (lower bound) to 554.6 million (upper bound) relative to the baseline. More details are provided in Annex 4 (section 3.2).

million in PM B.3a and PM B.3b, expressed as present value over 2025-2050 relative to the baseline[151] (see Table 17).

Moreover, PM B.7 (complaint-handling by industry stakeholders) and PM B.8 (enforcement by NEBs) would increase trust in redress mechanisms, which are key to ensuring that consumers fully benefit from the legal protections available. At the same time, hassle costs for passengers would be reduced. Under a conservative approach (lower bound estimate), assuming 15 minutes saved per complaint, total **hassle costs savings** are estimated at **EUR 43.3 million** relative to the baseline, expressed as present value over 2025-2050[152].

Table 17: Benefits for consumers for policy options under problem area 2, expressed as present value over 2025-2050 relative to the baseline, in million EUR (2021 prices)

	Difference to the Baseline		
	PO 2.1	PO 2.2	PO 2.3
Benefits for consumers	20.09	20.09	23.81
PM B.3a	20.09	20.09	
PM B.3b			23.81
Hassle costs savings	61.86	339.14	339.14
PM B.3a	18.57	18.57	
PM B.3b			18.57
PM B.5		277.28	277.28
PM B.7	43.29	43.29	43.29
Total benefits	81.95	359.23	362.95

Source: PWC, TIS and Steer (2023), Impact assessment support study

Options related to intermediaries (problem area 3). In **PO 3.1**, requesting reimbursement from air carriers (due to PM C.1a) is expected to lead to additional **hassle costs** for consumers, given the additional information that will need to be provided before requesting their reimbursement in case of tickets bought via intermediaries. This is because airlines do not often have all the necessary information from passengers to be able to issue the reimbursement. The additional time spent per reimbursement request to air carriers, for providing the information requested by them, is estimated at 20 minutes (lower bound) to 40 minutes (upper bound)[153]. Assuming 20 additional minutes per reimbursement request, the total hassle costs due to PM C.1a in PO 3.1 are estimated at **EUR 1,044.9 million**, expressed as present value over 2025-2050 relative to the baseline[154]. In **PO 3.2** (due to PM C.1b) the number of requests for reimbursement to carriers

[151] Considering the total number of PRMs requests for long-distance bus and coach journeys and for rail and waterborne journeys, the share of multimodal market and the fact that 5% of multimodal passengers hold category A multimodal tickets, the number of PRM requests affected is estimated at 37,020 in 2025, 47,723 in 2030 and 109,312 in 2050 relative to the baseline. The time saved per PRM request is estimated at 40 (lower bound) to 60 (upper bound) minutes. Using the consumer value of time estimated at EUR 22.7 per hour in 2021 prices, the hassle costs savings per PRM request are estimated at EUR 15.1 (lower bound) to 22.7 (upper bound). Expressed as present value over 2025-2050, total hassle costs savings for all PRMs are estimated at EUR 18.6 million (lower bound) to 27.9 million (upper bound) relative to the baseline.

[152] Under a conservative approach it is assumed that passengers would save at least 15 minutes per complaint handling (lower bound), drawing a parallel with a study by the World Bank (Source: https://thedocs.worldbank.org/en/doc/3ecf7262788a3ec69c8a45bbd3342a28-0080022021/related/Spring2021-governance-talk-asli-0525.pdf). At an upper bound, time savings per complaint may amount to 60 minutes. Using the consumer value of time estimated at EUR 22.7 per hour in 2021 prices, the hassle costs savings per complaint are estimated at EUR 5.7 (lower bound) to 22.7 (upper bound). Expressed as present value over 2025-2050, total hassle costs savings for passengers due to PM B.7 are estimated at EUR 43.3 million (lower bound) to 173.2 million (upper bound) relative to the baseline.

[153] This excludes the cases when an automatic verification system is used, in which case no additional time would be needed.

[154] The number of passengers' requests affected by PM C.1a is estimated at 6.3 million in 2025, 6.9 million in 2030 and 8.9 million in 2050. Considering the consumer value of time estimated at EUR 22.7 per hour in 2021

and intermediaries is expected to remain unchanged compared to the baseline. Therefore, no additional hassle costs for consumers are projected due to PM C.1b. In **PO 3.3** (due to PM C.1c) passengers will have the choice to request reimbursement from the carrier or the intermediary in case of indirect ticket sales. Around 20% of passengers may request reimbursement from the carrier. Assuming 20 additional minutes per reimbursement request, the total **hassle costs** due to PM C.1c in **PO 3.3** are estimated at **EUR 301.8 million**, expressed as present value over 2025-2050 relative to the baseline[155] (see Table 18).

Passengers are usually unaware of how the reimbursement will be processed (i.e. whether the carrier will reimburse the passengers, by using their method of payment, as is the case with a pass-through agent intermediary or when an airline prefers to handle the reimbursement claim directly, or whether the intermediary will reimburse them), by when the Merchant of Record intermediary will reimburse them, and whether the intermediary charges a fee for this[156]. Under **all options**, passengers would benefit from **hassle cost savings** because of the **clarity on the reimbursement procedure** provided by PM C.1a, C.1b and C.1c. Passengers would no longer be sent around and could be sure that the body they would approach for their refund, in line with the information provided, would indeed process the refund. Under a conservative approach, it is assumed that passengers may, on average, benefit from time savings of at least 15 minutes when looking for information on the reimbursement conditions and process. Thus, the **hassle costs savings** due to PM C.1a (in PO 3.1), PM C.1b (in PO 3.2) and PM C.1c (in PO 3.3) are estimated at **EUR 1,679.1 million**, expressed as present value over 2025-2050 relative to the baseline[157] (see Table 18).

Under the intermediary procedure, which is assumed to be most used in **PO 3.2**[158], and a bit less under **PO 3.3**, the passenger will benefit from a **guaranteed reimbursement deadline of 7 days** for the (Merchant of Record) intermediary's transaction to the passenger. The intermediary's reimbursement deadline has so far been subject to the terms and conditions of the intermediary[159] and often exceeds 7 days, or is not clear at all. According to the terms and conditions of a number of (Merchant of Record) intermediaries (see Annex 12), intermediaries may take between 7 to 60 days to reimburse passengers under the baseline. Passengers booking with intermediaries that take longer than 7 days to reimburse to the passenger would benefit

prices, and the additional time spent per reimbursement request of 20 minutes (lower bound) to 40 minutes (upper bound), the hassle costs per consumer are estimated at EUR 7.6 (lower bound) to EUR 15.1 (upper bound). Expressed as present value over 2025-2050, total hassle costs are estimated at EUR 1,044.9 million (lower bound) to EUR 2,089.8 million (upper bound).

[155] The number of passengers' requests affected by PM C.1c is estimated at 1.3 million in 2025, 1.4 million in 2030 and 1.8 million in 2050. Considering the consumer value of time estimated at EUR 22.7 per hour in 2021 prices, and the additional time spent per reimbursement request of 20 minutes (lower bound) to 40 minutes (upper bound), the hassle costs per consumer are estimated at EUR 7.6 (lower bound) to EUR 15.1 (upper bound). Expressed as present value over 2025-2050, total hassle costs are estimated at EUR 301.8 million (lower bound) to EUR 603.5 million (upper bound).

[156] Any potential fee will be contained in the intermediary's terms and conditions, which passengers often do not read.

[157] On average, 3% of passengers booking via intermediaries request reimbursement, and around 46% of air passengers book their tickets via intermediaries. In the baseline scenario, the total number of air passengers booking via intermediaries who request reimbursement is projected at 13.5 million in 2025, 14.7 million in 2030 and 19 million in 2050. Under PM C.1a, it is assessed that passengers would spent 15 minutes (lower bound) to 30 minutes (upper bound) less when looking for information on their reimbursement process. Considering the consumer value of time estimated at EUR 22.7 per hour in 2021 prices, the hassle costs savings per consumer are estimated at EUR 5.7 (lower bound) to EUR 11.4 (upper bound). Expressed as present value over 2025-2050, total hassle costs savings are estimated at EUR 1,679.1 million (lower bound) to EUR 3,358.2 million (upper bound). More details are provided in Annex 4 (section 3.3).

[158] This is because it generates the least administrative burden to carriers and passengers, and because most are practicing this already.

[159] According to Commission online research, this transaction (from intermediary to passenger) may take longer than 7 days. See Annex 13.

from additional time savings. Furthermore, (Merchant of Record) intermediaries often do not inform their customers at all about the maximum time it takes them to reimburse to the customer, once the intermediary has received the payment from the airline. PM C.3 will provide clarity on this, and save the passenger the hassle of contacting the intermediary (possibly multiple times) to check when the reimbursement payment will be made. Under **PO 3.2**, where the intermediary is involved, passengers benefit by not having to pay fees to the intermediary for the reimbursement[160].

All options **enable the passengers to approach the carrier for the reimbursement, with the data needed, if necessary**. In PO 3.1 this is by default, while in PO 3.2 and PO 3.3 this is in the case where the intermediary has not paid the passenger within 14 days, as a "plan B" for the passenger. This policy measure is important because many intermediaries generate their own ticket identification numbers or booking references, with the consequence that the passenger cannot provide the carrier with its own booking reference when requesting the reimbursement directly from it[161]. The benefit to passengers from this measure is a gain in time and less hassle from calls to the airline's call centre. It is assumed that passengers booking flights via intermediaries with airlines with an indirect booking model will gain at least 10 minutes due to this measure in PO 3.1 and PO 3.3 in their reimbursement procedure. Thus, the **hassle costs savings** for consumers, expressed as present value over 2025-2050 relative to the baseline, are estimated at **EUR 522.5 million** in PO 3.1[162] and **EUR 104.5 million** in PO 3.3[163]. The "plan B" under the intermediary procedure in PO 3.2 and 3.3 (PM C.4) lengthens the intermediary procedure by a maximum of 7 days. However, the main passenger and consumer associations consider that such a "plan B" is necessary, in case there is a problem with the intermediary.

In terms of general length of the reimbursement procedure, **PO 3.1** is the shortest: 7 days. **PO 3.2 and 3.3** (where the intermediary is chosen) would normally take a maximum of 14 days, but would save the passengers considerable hassle.

Whilst it might appear at first sight that PO 3.3 is most beneficial for the passenger because the passenger can choose the procedure, this may not be so in reality. The passenger cannot be expected to know and to understand what kind of costs and benefits each procedure implies, such as the additional hassle inherent in the carrier-only procedure, as opposed to the one via the intermediary. The passenger is usually the least knowledgeable of the market and will not be aware of how well the individual intermediaries comply with the rules. It will in the end be

[160] Under PO 3.3 passengers might have to pay a fee to the intermediary, while under PO 3.1 and 3.2 they do not.
[161] We assume that this problem would normally cover all situations where the passenger had not yet received a boarding pass.
[162] The number of air passengers' requests affected by PM C.3 in PO 3.1 is 6.3 million in 2025, 6.9 million in 2030 and 8.9 million in 2050. These exclude the requests for which an automatic verification system is used. Considering the consumer value of time estimated at EUR 22.7 per hour in 2021 prices, and the time saved per reimbursement request of 10 minutes (lower bound) to 20 minutes (upper bound), the hassle costs savings per consumer are estimated at EUR 3.8 (lower bound) to EUR 7.6 (upper bound). Expressed as present value over 2025-2050, total hassle costs savings are estimated at EUR 522.5 million (lower bound) to EUR 1,044.9 million (upper bound).
[163] In PO 3.2, including PM C.1b together with PM C.4, it is expected that the number of requests for reimbursement to carriers and intermediaries remains unchanged compared to the baseline. Therefore, no hassle costs savings for consumers are estimated due to PM C.4. In PO 3.3, including PM C.1c together with PM C.4, the number of air passengers' requests affected is estimated at 1.3 million in 2025, 1.4 million in 2030 and 1.8 million in 2050. These exclude the requests for which an automatic verification system is used (large low cost carriers). Considering the consumer value of time estimated at EUR 22.7 per hour in 2021 prices, and the time saved per reimbursement request of 10 minutes (lower bound) to 20 minutes (upper bound), the hassle costs savings per consumer are estimated at EUR 3.8 (lower bound) to EUR 7.6 (upper bound). Expressed as present value over 2025-2050, total hassle costs savings are estimated at EUR 104.5 million (lower bound) to EUR 209 million (upper bound). More details are provided in Annex 4 (section 3.3).

better for the passenger if the airline decides this, based on its market knowledge, as it is in the airline's interest to only cooperate with reliable intermediaries[164].

In addition, under the carrier-only procedure (PO 3.1 fully, PO 3.2 and PO 3.3 partly) the carrier has no particular incentive, as it exists under the intermediary procedure of PO 3.2 and PO 3.3, to respect its payment deadline[165], which might lead to delayed reimbursements to the passenger in practice. The respect of the payment deadline is an issue because on average, between 20-30% of passengers booking via Merchant of Record intermediaries are currently not paid within 7 days[166] (based on pre-pandemic data), affecting between 18.5 million and 27.7 million passengers in 2019. Under PO 3.2, the intermediaries are also incentivised to respect their payment deadline, as otherwise, the carriers may no longer decide to involve them in the reimbursement process, but carry it out by themselves (which is not in the interest of the intermediaries).

The main passenger and consumer associations are not advocating PO 3.1 as the preferred option, which suggests that the slightly more lengthy procedure via the intermediary in PO 3.2 and 3.3 is not a key factor overall. Intermediaries have reported as part of the stakeholder consultation that carriers which do not want to cooperate with them are obstructing, delaying and refusing to provide refunds via the intermediaries - a situation which can be expected to also lengthen the time that the reimbursement arrives with the passenger. Leaving the choice to the airline under PO 3.2 (as opposed to the passenger under PO 3.3) on how to process the reimbursement will best ensure that the passenger receives the reimbursement payment in time, and with the least hassle.

Table 18: Hassle costs and costs savings for consumers for policy options under problem area 3, expressed as present value over 2025-2050 relative to the baseline, in million EUR (2021 prices)

	Difference to the Baseline		
	PO 3.1	PO 3.2	PO 3.3
Hassle costs	1,044.9	0.0	301.8
PM C.1a	1,044.9		
PM C.1c			301.8
Hassle costs savings	2,201.6	1,679.1	1,783.6
PM C.1a	1,679.1		
PM C.1b		1,679.1	
PM C.1c			1,679.1
PM C.3	522.5		
PM C.4			104.5
Net benefits	1,156.7	1,679.1	1,481.8

[164] The carriers will be able to choose the carrier-only procedure for a particular intermediary when they, based on experience, deem it unlikely that the intermediary will respect the deadlines, or the payment obligation to the passenger.

[165] i.e. to pay within their deadline of 7 days in order to avoid the additional administrative costs that they would need to incur when the passenger contacts them directly for the reimbursement.

[166] Based on stakeholder feedback (intermediaries, consumer organisations). In addition, 80% of all reimbursements for bookings via Merchant of Record intermediaries are processed through IATA's Billing and Settlement Plan (BSP). According to IATA information, 95% of these payments are made through the Global Distribution System (GDS). Although automated (pre-authorised by airlines), not all reimbursements made under the GDS are paid within 7 days. Payments via IATA's BSP system (from the airline to the intermediary) follow a remittance payment period (i.e. the time span in respect of which a remittance is made to the Clearing Bank, which is when the agent receives the money). According to data received by IATA, 38% of payments are done within a period of 7 days (either on a daily basis or weekly basis), while the remaining 62% of payment flows under the GDS and via the BSP are either paid on a fortnightly basis, monthly basis or 3 times per month. The 5% of BSP payments outside the GDS are made through BSP Link, where airlines have not pre-authorised them and which therefore take (much) longer than 7 days.

Source: PWC, TIS and Steer (2023), Impact assessment support study

It should also be noted that it is not likely that extra costs for the implementation of information rights will be passed on to customers in the form of higher prices for tickets. Regarding reimbursement of air tickets when intermediaries are involved, the one-off costs for airlines for informing the passenger about the reimbursement process are expected to lead to costs of EUR 0.01, and of EUR 0.07 per passenger booking via intermediaries. As such, the potential of cost pass-through is not an issue considering the very limited additional costs per passenger.

6.1.6 Impacts on SMEs

A significant part of carriers and intermediaries are SMEs. Therefore, the initiative is considered relevant for SMEs and the SME test has been performed (see Annex 8).

While many carriers in the air and rail transport, and terminal operators, are medium and some even large companies, bus and coach carriers, waterborne carriers as well as intermediaries are often SMEs. Around 85%[167] (3,211 out of 3,778) of bus and coach carriers and 99%[168] (518 out of 523) of waterborne carriers are SMEs. Regarding intermediaries, ECTAA estimates that there are 123,000 travel agents and tour operators across EU, of which 95% (116,850) are SMEs[169].

Detailed tables on the impacts by policy option, policy measure and stakeholder group are provided in Annex 8. An overview of costs and costs savings by policy option under each problem area are also provided in Tables 19-24 below.

Options related to enforcement (problem area 1). Both **PO 1.1** and **PO 1.2** lead to an increase of the administrative and adjustment costs for SME carriers and of the adjustment costs for SME intermediaries, compared to the baseline. Administrative costs stem from policy measure PM A.2, while adjustment costs stem from policy measures PM A.2 and PM A.3 in PO 1.1 and PO 1.2. In addition, PM A.5 also results in adjustment costs for PO 1.2.

For SME carriers, PO 1.2 shows higher costs than PO 1.1 in 2025 (EUR 17.8 million compared to EUR 13.5 million respectively), while in 2030 and 2050 the costs are similar for both options (EUR 4.4 million). This is because of PM A.5 (included only in PO 1.2) that requires carriers to better inform passengers about their rights, in particular when booking a journey or when a transport disruption occurs. In terms of present value over 2025-2050, total costs for carriers are estimated at EUR 89.3 million in PO 1.1 and EUR 93.6 million in PO 1.2. The intermediary ticket vendors and tour operators bear one-off adjustment costs of EUR 13.6 million in 2025 (see Table 19-20).

The total costs per SME carrier (for bus and coach operators and waterborne transport operators) are estimated at EUR 3,618 in 2025 and EUR 1,167 per year from 2026 onwards, while for SME intermediaries at EUR 117 in 2025. Considering the annual average turnover per SME (EUR 2.1 million per bus and coach operator and EUR 13.7 million per waterborne transport operator[170]), the total cost per bus and coach operator is estimated at less than 0.2% of the turnover in 2025 (including also one-off costs) and less than 0.1% of the turnover post-

[167] SMEs were estimated to account for around 85% of the occasional passenger transport, drawing on studies by International the Road Transport Union (IRU) and the European Transport Workers' Federation (ETF). TRT on behalf of IRU, 2015. A Pilot Study on Specific Driving and Rest Time Rules for Bus and Coach Drivers in the EU; ETF Report, 2018, Driven to distraction? Long-distance coach and bus drivers in the EU.
[168] According to Eurostat data, around 99% of water transport businesses were classified as SMEs.
[169] Figures based on Eurostat, confirmed by ECTAA.
[170] Eurostat.

2025, while the cost per waterborne transport operator is estimated at less than 0.1% of the turnover for all periods.

Table 19: Total recurrent and one-off costs for SMEs in the POs addressing problem area 1, expressed as present value over 2025-2050 relative to the baseline scenario, in million EUR (2021 prices)

	Difference to the Baseline	
	PO 1.1	PO 1.2
Carriers	**89.27**	**93.63**
Administrative costs	80.14	80.14
Adjustment costs	9.14	13.49
Bus and coach operators	**76.9**	**80.6**
Administrative costs	69.0	69.0
Adjustment costs	7.9	11.6
Waterborne transport operators	**12.4**	**13.0**
Administrative costs	11.1	11.1
Adjustment costs	1.3	1.9
Intermediaries	**13.6**	**13.6**
Adjustment costs	13.6	13.6

Source: PWC, TIS and Steer (2023), Impact assessment support study

Table 20: Total recurrent and one-off costs for SMEs in the POs addressing problem area 1, in 2025, 2030 and 2050 relative to the baseline scenario, in million EUR (2021 prices)

	Difference to the Baseline					
	PO 1.1			PO 1.2		
	2025	2030	2050	2025	2030	2050
Carriers	**13.49**	**4.35**	**4.35**	**17.84**	**4.35**	**4.35**
Administrative costs	4.35	4.35	4.35	4.35	4.35	4.35
Adjustment costs	9.14	0.00	0.00	13.49	0.00	0.00
Bus and coach operators	**11.62**	**3.75**	**3.75**	**15.37**	**3.75**	**3.75**
Administrative costs	3.75	3.75	3.75	3.75	3.75	3.75
Adjustment costs	7.87	0.00	0.00	11.62	0.00	0.00
Waterborne transport operators	**1.87**	**0.60**	**0.60**	**2.48**	**0.60**	**0.60**
Administrative costs	0.60	0.60	0.60	0.60	0.60	0.60
Adjustment costs	1.27	0.00	0.00	1.87	0.00	0.00
Intermediaries	**13.64**	**0.00**	**0.00**	**13.64**	**0.00**	**0.00**
Adjustment costs	13.64	0.00	0.00	13.64	0.00	0.00

Source: PWC, TIS and Steer (2023), Impact assessment support study

Options related to multimodal passenger rights (problem area 2). All three policy options PO 2.1, PO 2.2 and PO 2.3 result in an increase in adjustment costs for carriers and intermediaries SMEs, compared to the baseline. These costs stem from policy measures PM B.1 and PM B.7 which are common to all policy options, and from PM B.3 (a or b) and PM B.4 (a or b). PM B.1 and PM B.7 are expected to have an impact on 270 SMEs, PM B.3a and PM B.3b on 128 SMEs, and PM B.4a and PM B.4b on 263 SMEs.

Carriers bear the largest share of the total costs. PO 2.3 shows the highest increase in costs for carriers relative to the baseline (EUR 11.25 million, of which EUR 11.23 million for bus and coach operators and EUR 0.02 million for waterborne transport operators), followed by PO 2.2 (EUR 10.26 million, of which EUR 10.24 million for bus and coach operators and EUR 0.02 million for waterborne transport operators) and PO 2.1 (EUR 10.2 million, of which EUR 10.18 million for bus and coach operators and EUR 0.02 million for waterborne transport operators), expressed as present value over 2025-2050. The difference is due to PM B.3b included in PO

2.3, as opposed to PM B.3a included in PO 2.1 and PO 2.2. The reason is that under PM B.3b passengers have a right to conclude alternatives contracts where a carrier does not make provision for the continuation of the journey, in addition to the more limited rights foreseen by PM B.3a. For intermediaries, PO 2.3 is also the most costly option relative to the baseline (EUR 0.52 million), followed closely by PO 2.2 (EUR 0.36 million) and PO 2.1 (EUR 0.31 million), expressed as present value over 2025-2050.

At the same time, SMEs would benefit of significant hassle costs savings that outweigh the costs. Hassle costs savings for carriers are estimated at EUR 29.9 million and for intermediaries at EUR 22.8 million in PO 2.1, PO 2.2 and PO 2.3. Thus, all policy options result in net benefits for SME carriers (EUR 19.7 million in PO 2.1, EUR 19.6 million in PO 2.2 and EUR 18.6 million in PO 2.3) and intermediaries (around EUR 22.5 million in PO 2.1 and PO 2.2 and EUR 22.3 million in PO 2.3), expressed as present value over 2025-2050 relative to the baseline.

Table 21: Total costs and costs savings for SMEs in the POs addressing problem area 2, expressed as present value over 2025-2050 relative to the baseline scenario, in million EUR (2021 prices)

	Difference to the Baseline		
	PO 2.1	PO 2.2	PO 2.3
Carriers (net benefits)	19.67	19.60	18.62
Adjustment costs	10.20	10.26	11.25
Hassle costs savings*	29.87	29.87	29.87
Bus and coach operators (net benefits)	18.52	18.45	17.47
Adjustment costs	10.18	10.24	11.23
Hassle costs savings*	28.70	28.70	28.70
Waterborne transport operators (net benefits)	1.15	1.15	1.15
Adjustment costs	0.02	0.02	0.02
Hassle costs savings*	1.17	1.17	1.17
Intermediaries (net benefits)	22.53	22.48	22.32
Adjustment costs	0.31	0.36	0.52
Hassle costs savings*	22.84	22.84	22.84

*Source: PWC, TIS and Steer (2023), Impact assessment support study; Note: * stands for lower bound estimates.*

Table 22: Total costs and costs savings for SMEs in the POs addressing problem area 2, in 2025, 2030 and 2050 relative to the baseline scenario, in million EUR (2021 prices)

	Difference to the Baseline								
	PO 2.1			PO 2.2			PO 2.3		
	2025	2030	2050	2025	2030	2050	2025	2030	2050
Carriers (net benefits)	0.73	1.01	0.95	0.66	1.01	0.95	0.62	0.96	0.88
Adjustment costs	0.46	0.48	0.74	0.53	0.48	0.74	0.57	0.53	0.81
Hassle costs savings*	1.19	1.49	1.69	1.19	1.49	1.69	1.19	1.49	1.69
Bus and coach operators (net benefits)	0.69	0.95	0.89	0.62	0.95	0.89	0.58	0.90	0.82
Adjustment costs	0.45	0.48	0.74	0.52	0.48	0.74	0.56	0.53	0.81
Hassle costs savings*	1.14	1.43	1.62	1.14	1.43	1.62	1.14	1.43	1.62
Waterborne transport operators (net benefits)	0.04	0.06	0.07	0.04	0.06	0.07	0.04	0.06	0.07
Adjustment costs	0.00	0.00	0.00	0.01	0.00	0.00	0.01	0.00	0.00
Hassle costs savings*	0.05	0.06	0.07	0.05	0.06	0.07	0.05	0.06	0.07
Intermediaries (net benefits)	0.79	1.12	1.28	0.73	1.12	1.28	0.62	1.12	1.28
Adjustment costs	0.12	0.01	0.01	0.18	0.01	0.01	0.29	0.01	0.01

	Difference to the Baseline								
	PO 2.1			PO 2.2			PO 2.3		
	2025	2030	2050	2025	2030	2050	2025	2030	2050
Hassle costs savings*	0.91	1.14	1.29	0.91	1.14	1.29	0.91	1.14	1.29

*Source: PWC, TIS and Steer (2023), Impact assessment support study; Note: * stands for lower bound estimates.*

Options related to intermediaries (problem area 3). SME intermediaries consist mostly of brick and mortar travel agents. All three policy options lead to identical one-off administrative costs for the 116,850 SME intermediary ticket vendors in 2025, amounting to EUR 54.6 million. These costs are due to PM C.1 (a, b or c) which obliges them to inform passengers on the reimbursement process. Per SME intermediary, the administrative costs are estimated to be limited, at EUR 467 in 2025.

These costs are largely overcompensated by administrative costs savings in PO 3.3 (EUR 7.2 million in 2025, EUR 7.8 million in 2030 and EUR 10.1 million in 2050) and especially in PO 3.1 (EUR 36 million in 2025, EUR 39.2 million in 2030 and EUR 50.7 million in 2050). Expressed as present value over 2025-2050, the total cost savings relative to the baseline are estimated at EUR 157.4 million in PO 3.3 and EUR 787 million in PO 3.1. The administrative cost savings are explained by the fact that intermediaries would no longer handle reimbursement requests to the same extent (PM C1.a under PO 3.1 and PM C1.c under PO 3.3).

Table 23: Total costs and costs savings for SMEs in the POs addressing problem area 3, expressed as present value over 2025-2050 relative to the baseline scenario, in million EUR (2021 prices)

	Difference to the Baseline		
	PO 3.1	PO 3.2	PO 3.3
Intermediaries			
Administrative costs	54.55	54.55	54.55
Administrative costs savings	787.04	0.00	157.41
Net costs savings	732.49	-54.55	102.86

Source: PWC, TIS and Steer (2023), Impact assessment support study; Note: negative values stand for net costs.

Table 24: Total costs and costs savings for SMEs in the POs addressing problem area 3, in 2025, 2030 and 2050 relative to the baseline scenario, in million EUR (2021 prices)

	Difference to the Baseline								
	PO 3.1			PO 3.2			PO 3.3		
	2025	2030	2050	2025	2030	2050	2025	2030	2050
Intermediaries									
Administrative costs	54.55	0.00	0.00	54.55	0.00	0.00	54.55	0.00	0.00
Administrative costs savings	35.95	39.21	50.65	0.00	0.00	0.00	7.19	7.84	10.13
Net costs savings	-18.60	39.21	50.65	-54.55	0.00	0.00	-47.36	7.84	10.13

Source: PWC, TIS and Steer (2023), Impact assessment support study; Note: negative values stand for net costs.

6.1.7 Impacts on the functioning of the internal market and on competition

All policy options are expected to have a positive impact on the functioning of the internal market, by removing unnecessary barriers for passengers and for actors in the passenger transport market. At the same time they ensure a level playing field for all stakeholders.

Options related to enforcement (problem area 1). For **PO 1.1** and **PO 1.2** carriers and terminal operators will benefit from a bigger focus on enforcement. The obligation to publish reports on results of service quality standards for carriers and terminal operators will positively affect the competitiveness of compliant carriers and operators, as 'compliance' will become more transparent to passengers, and a factor from which the industry can get a competitive edge. Additionally, especially **PO 1.2** will further the level playing field between industry

stakeholders inside the Union, as NEBs will publish risk assessments, ensuring a more harmonised approach for enforcement across Member States. In turn, efforts to harmonise monitoring and enforcement efforts, will facilitate a better-functioning internal market, as consumers will be more willing to purchase services throughout the Union.

Options related to multimodal passenger rights (problem area 2). **PO 2.1**, and in particular **PO 2.2** and **PO 2.3** are expected to have a positive impact on the functioning of the internal market by facilitating the free movement of people, where the introduction of multimodal passenger rights will encourage more long-distance travels which often entail a cross-border element, especially where they book a single contract of carriage (category A). This positive impact on the functioning of the internal market will also manifest itself across all options with the creation of a level playing field across the Union for carriers and intermediaries with regard to the provision of multimodal passenger rights. These policy options, and in particular PO 2.2 and PO 2.3, will also increase the competitiveness of the market by improving the quality of passenger transport services for consumers, including for PRM with the introduction of a free right to assistance under single contracts of carriage (category A) and the establishment of Single Points of Contact at multimodal hubs. Especially under PO 2.2 and PO 2.3, this competitiveness factor is reinforced by an increased level of information to passengers regarding the characteristics of the passenger transport service (in particular for separate tickets which are bundled and sold by intermediaries – category B), thereby allowing them to make a more informed decision before booking a multimodal journey.

Options related to intermediaries (problem area 3). Many (online) air travel intermediaries, as well as carriers by definition, operate across borders within the EU. Under **PO 3.2** and **PO 3.3**, for the intermediary procedure, intermediaries will benefit from an official role when it comes to reimbursements, which will strengthen their competitive position. They will most likely invest in digital processes in order to be able to reimburse passengers quickly and to comply with their new 7-day deadline. Under **PO 3.2**, carriers will be encouraged to (further) invest in the reimbursement procedure which best suits them, leading to efficiency gains. Under **PO 3.2** and **PO 3.3**, for the intermediary procedure, air passengers will benefit from a harmonised intermediaries' reimbursement period, which will contribute to their confidence in the air travel market. This provision would also create a level-playing field for air travel intermediaries involved in the reimbursement process in the EU. The information obligation on carriers and intermediaries under all options will help consumers to shop effectively, including across borders.

6.1.8 Impacts on digitalisation (including Digital by Default)

Options related to enforcement (problem area 1). Under both **PO 1.1** and **PO 1.2** there is a broad understanding of the need to use digital products and services. The proposed measures are shaped based on the assumption of a strong and agile digital framework, provided by PM A.5 on the improved information of passengers about their rights when booking a journey or when a transport disruption occurs and PM A.3 on the broad acceptance of a standardised claim form. Considerable economies of scale in the medium term can also be expected by data mining and other artificial intelligence tools to analyse the reports of carriers and terminal operators[171].

[171] See the Commission's strategy on data, information, and knowledge management. See for example: DG JUST developed a user-friendly webcrawler in the context of the eSurveillance project. The crawler is used by both the Commission and Members States to detect unsafe products sold online. The Commission's Information Management Steering Board invited in May 2022 DGs to investigate reusing the developed webcrawler solution. See also the new signposting tool for reporting of the European Banking Authority; Both tools could also be adapted and offered to NEB delivered for monitoring of compliance and for reporting under this initiative. An assessment of the feasibility is under preparation. The Commission will support the development of a prototype

Options related to multimodal passenger rights (problem area 2). **PO 2.1, PO 2.2** and **PO 2.3** recognise the important place that digital products and solutions take in today's society. Many measures are based on the unstated assumption of a strong digital framework to facilitate the implementation. This is the case of PM B.2 (on real-time information), of PM B.3b and PM B.4b (on care and assistance, rerouting, etc.), of PM B.7 (on online complaint handling) and of PM B.5 (on Single Points of Contact).

Options related to intermediaries (problem area 3). Under **PO 3.2** and **PO 3.3**, intermediaries will most likely be incentivised to invest in digital solutions in order to process the reimbursement payments to their customers in a faster way. Many EU-based intermediaries are SMEs and would most likely adapt to the changes under consideration through increased reliance on digital solutions. Under **PO 3.1**, air carriers may decide to use possibly upcoming e-ID solutions[172] to replace their existing authentication and identification systems, such as biometric checks of passengers.

6.1.9 Territorial impacts

The problems that this initiative aims to address and consequently the impacts of the policy options assessed are generally not concentrated in specific Member States, regions or transport hubs. No stakeholder raised this issue during the consultation process. For the problem areas on multimodal travel and reimbursement of air tickets booked via intermediaries, the even geographical distribution of impacts across the EU is straightforward, with the notable exception of the establishment of multimodal hubs. For the problem area of enforcement there are different national approaches of NEBs but the measures envisaged apply equally to all NEBs.

All three options related to multimodal passenger rights (problem area 2) are expected to have positive effects on connectivity. This is because an increase in the protection of passengers on multimodal journeys will entice more passengers to use more than a single mode of transport for their journey. Therefore, they can maximise the convenience and benefits they derive from being able to use the most adapted transport offer to their needs, time and budget requirements. This is especially important for users living in remote areas (notably rural areas), or in segregated areas or in less developed regions as increased connectivity in their case affects all areas of life (employment opportunities, education and health care options, etc.).

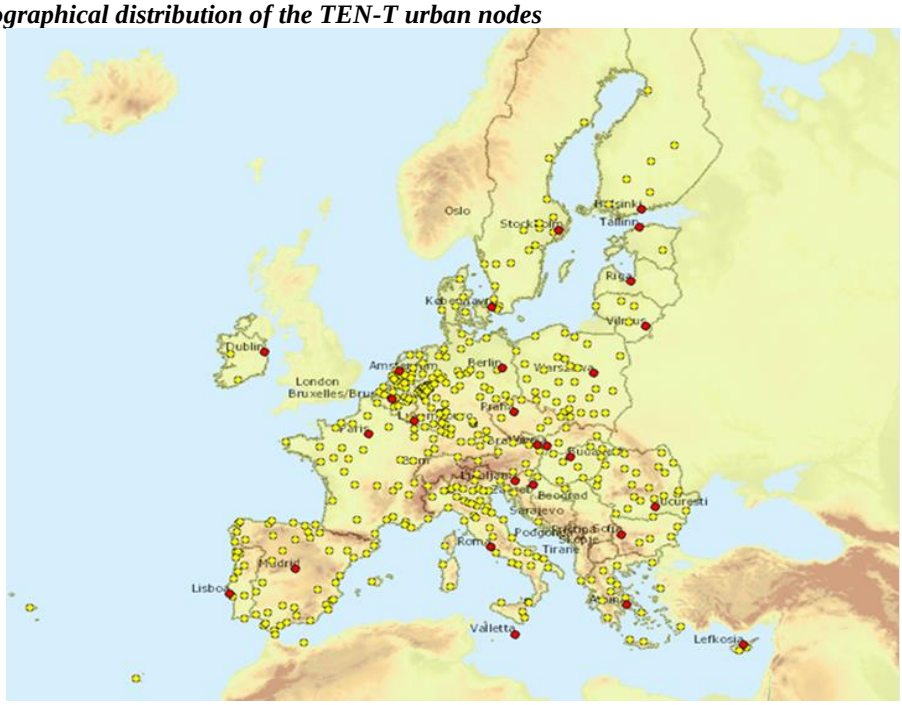
PM B.5 and PM B.6 (included in both PO 2.2 and PO 2.3) provide that terminal managers and carriers operating via multimodal passenger hubs have to cooperate to set up a Single Point of Contact. The methodology laid down in the proposal for the revision of the TEN-T Regulation provides that at least one multimodal passenger hub has to be established for the 424 urban nodes of the TEN-T. According to the methodology, all cities with a population over 100,000 inhabitants, as well NUTS2 capitals where there is no city of at least 100,000 inhabitants are TEN-T urban nodes. This leads to a total of 424 multimodal passenger hubs. The geographical distribution is also illustrated in Figure 7. This map demonstrates that the presence of multimodal hubs, which correspond to these urban nodes, reflects the actual territorial

of a WebCrawler, which could automate the process of monitoring the industry's compliance with passenger rights, specifically for online information obligations.

[172] The possible use of European Digital Identity Wallets by private parties (foreseen in the provisional political agreement of the Council and European Parliament on the core elements of a new framework for a European digital identity (eID) of 29/6/2023172, available at https://www.consilium.europa.eu/en/press/press-releases/2023/06/29/council-and-parliament-strike-a-deal-on-a-european-digital-identity-eid/) would allow airlines to foresee in their contract with the passenger the option for the passenger to identify himself through strong user authentication when requesting a reimbursement payment from the airline. As a condition for doing so, airlines would need to fulfil specific registration conditions that would be part of the wallet ecosystem. The passenger's use of the eID would be voluntary in this case.

distribution of the population – and hence potential passengers – as well as travelling patterns within the EU.

Figure 7: Geographical distribution of the TEN-T urban nodes



6.2 Social impacts

PO 1.1 and **PO 1.2** leads to a limited impact to **employment**, compared to the baseline. The proposed measures do not pose a risk of displacing less educated staff or lowering job standards. Employment impacts are also limited under **PO 2.1, PO 2.2** and **PO 2.3**, as the measures included do not require changes in competencies, the type of staff or type of job protection with regards to the services to be delivered. A slight increase in employment could be expected if the measures are correctly implemented. Employment impacts under **PO 3.1, 3.2** and **3.3** are expected to be limited as well, as most changes are linked to increased use of technology by carriers and intermediaries.

Improved rights associated to multimodal travel and increased information on those rights (**PO 2.1, PO 2.2 and PO 2.3**) will provide an additional incentive for **youth** to use multimodal journeys**,** especially where those travels are associated with a lower cost and a comparatively lower environmental impact. As regards the **elderly**, who presumably are digitally less literate, it should be noted that the information to be provided by carriers, ticket vendors, tour operators and terminal operators under PM B.1 (on connecting times and other useful information when switching between modes), included in **PO 2.1, PO 2.2 and PO 2.3**, should be delivered in both paper and electronic format. This reflects the current requirement in the context of Regulation (EU) 2021/782 on rail passengers' rights and obligations.

6.3 Impacts on fundamental rights

Article 38 of the Charter of Fundamental Rights of the European Union (the Charter) stipulates that Union policies shall ensure a **high level of consumer protection**.

Both options related to enforcement (problem area 1) are expected to contribute to a high level of consumer protection, by making it easier for consumers to exercise their passenger rights, by introducing standardised forms for reimbursement and compensation claims and making them aware of the possibility to use ADR bodies to settle their disputes with transport operators. Additionally, the options introduce the obligation for industry operators to provide information

to NEBs upon request, as well as authorising the Commission to request NEBs to investigate issues, both of which strengthen the enforcement of passenger rights at Union and Member States level.

All three options related to multimodal passenger rights (problem area 2) are expected to contribute by granting a higher level of protection to passengers undertaking a journey combining at least two modes of transport. In particular, passengers who have concluded a single contract of carriage will enjoy a level of protection similar to the one enjoyed by passengers travelling by a single mode (reimbursement/re-routing, care). In addition, passengers would be better informed, both on their rights before booking (under all policy options) as well as in real-time on any possible travel disruptions occurring during the journey (**PO 2.2** and **PO 2.3**). Moreover, a high level of consumer protection would be further enabled by redress mechanisms, both at the level of operators and national authorities (all options)

All three options related to intermediaries (problem area 3) are expected to contribute to a high level of consumer protection. **PO 3.1, 3.2 and 3.3** foresee a high level of consumer protection, because the passenger who booked via an intermediary will always be able to request the reimbursement from the carrier (as a default option under PO 3.1 and as a last resort in the intermediary procedure under PO 3.2 and 3.3). Intermediary and carrier are obliged, under all options, to inform the consumer. The enforcement of the reimbursement procedure will be strengthened through PM A.4.

Furthermore, it follows from **Article 21(1)** of the Charter that any **discrimination based on grounds of disability** shall be prohibited, while **Article 26** of the Charter states that the Union recognises and respects the right of persons with disabilities to benefit from measures designed to ensure their **independence, social and occupational integration** and participation in the life of the community.

Both options related to enforcement (problem area 1) introduce standardised complaint and reimbursement forms that would be fully accessible for persons with disabilities and reduced mobility.

All three options related to multimodal passenger rights (problem area 2) grant a right to non-discrimination and a right to free assistance with regard to single contracts of carriage for a multimodal journey, and furthermore in **PO 2.3** also in cases when passengers bought separate tickets from a ticket vendor. In addition, industry actors would have to provide information to passengers on the accessibility of transport infrastructure (all policy options). Moreover, **PO 2.1** and **PO 2.2** foresee the establishment of Single Points of Contact at multimodal hubs to cater for the assistance of PRM travelling between modes.

All three options related to intermediaries (problem area 3) are expected to contribute to support PRM, because all information and procedures to be provided to passengers have to be offered in an accessible way.

6.4 Environmental impacts

All policy options considered are expected to have some positive environmental impacts compared to the baseline, mainly on climate and air quality, although it is not possible to assess the impact quantitatively. As all policy options will enhance passenger rights, they will make mobility with collective transport solutions more attractive and may contribute to people choosing to use less their individual cars. This is expected to have a positive impact in terms of reducing CO_2 and other pollutant emissions per passenger, as well as on congestion. In addition, all policy options will result in increased confidence of passengers in enforcement of passenger rights, including when travelling multimodal or when buying air tickets via an intermediary,

and can therefore support the shift towards more sustainable transport choices by consumers on a given journey, in particular where this is combined with both an increased ability for passengers to find, compare, and book tickets across modes.

All policy options are consistent with the environmental objectives of the **European Green Deal** and the **European Climate Law**[173]. All policy options contribute towards Sustainable Development Goal 13 (Take urgent action to combat climate change and its impacts). **No significant harm** is expected on the environment in any of the policy options.

7 HOW DO THE OPTIONS COMPARE?

7.1 Effectiveness

The assessment of effectiveness looks at the extent to which the general and specific objectives (SO) of the intervention, as previously described, are met. Table 25 provides the link between policy objectives and assessment criteria.

Table 25: Link between objectives and assessment criteria

General objectives	Specific objective	Assessment criteria
The general objectives are: -the proper functioning of the internal market for passenger transport, and; - the achievement of a high level of consumer protection for passengers when travelling within one mode or when switching modes during their journey	**SO1** - Ensure effective and efficient enforcement across all Member States	Passengers and industry stakeholders experience better implemented passenger rights across modes and Member States
	SO2 - Ensure effective complaint handling for passengers	Passengers can easily find out how and to whom they can submit complaints
	SO3 - Increase protection of passengers facing travel disruptions in the context of multimodal journeys	Passengers performing a multimodal journey are better informed, both before and during their journey Passengers are assisted and cared for in case of a travel disruption during their multimodal journey
	SO4 - Increase information for and assistance of persons with disabilities or reduced mobility when switching between transport modes	Persons with disabilities or reduced mobility are better informed when planning to undertake a multimodal journey Persons with disabilities or reduced mobility are assisted when switching between transport modes
	SO5 - Ensure a clear reimbursement process when air passengers booked via an intermediary	The reimbursement process is clear for all: passengers, air carriers and intermediaries

All options contribute to the general objectives by contributing to the proper functioning of the internal market via measures on effective and efficient enforcement and complaint handling as well as ensuring a high level of consumer protection for passengers when travelling within one mode or when switching modes during their journey by addressing problems detected with reimbursements through intermediaries and the new multimodal market, which is currently not covered by any rights.

Concerning **SO1**, both PO 1.1 and PO 1.2 are expected to further effectiveness and efficiency of enforcement across all Member States. Both options will facilitate increased efficiency in the NEBs enforcement efforts as it exists today, and expand upon it, by enabling the Commission to require NEBs to investigate specific suspected breaches of passenger rights. This helps to ensure effective enforcement across all Member States. Both options also introduce new reporting obligations for the industry, which will provide vital information for

[173] Regulation (EU) 2021/1119.

NEBs. The need for NEBs to have a clear overview on what is happening on the ground has been evidenced already before the COVID-19 pandemic but became most apparent during and after the COVID-19 pandemic, as also highlighted by the 2021 ECA report.

PO 1.2 also introduces the outlining and publishing of risk assessments by NEBs. The publishing of risk assessments will facilitate cross-border co-operation between NEBs, in the sense that NEBs will be able to gather insight, in a more efficient way, on monitoring practises from other Member States. This takes sight on SO1 in two ways. Firstly, it incentivises better enforcement efforts among all NEBs, as the methodology behind their monitoring will be publicised, enabling comparison between their targeted and actual monitoring efforts as well as comparisons between NEBs across Member States. Secondly, the publication of risk assessments from well performing and active NEBs, will serve as valuable material and insight for less active NEBs, to bolster their own enforcement efforts, effectively creating a higher standard for passenger rights enforcement across Member States. While not quantifiable, an improvement in the standard of enforcement across Member States, will also encourage passengers to choose the most virtuous operators for compliance against passenger rights. This will also level the playing field for industry as well as ensure more equal protection of passengers across the Union. The option introduces the obligation for carriers and terminal operators to better inform passengers about their rights, notably when booking a ticket or in case of a transport disruption, which will also further the effectiveness and efficiency of enforcement, as passengers will become knowledgeable about their rights and when and how to make claims and complaints. As such, PO 1.2 is much more effective in addressing SO1 than PO 1.1.

Concerning **SO2**, both PO 1.1 and PO 1.2 will further ensure effective complaint handling for passengers by obliging carriers, ticket vendors and tour operators to accept an EU-wide standardised form for requesting reimbursements and compensations (which will be fully accessible for persons with disabilities) and by informing passengers about the possibility to address themselves to ADRs. PO 1.2 goes further than PO 1.1, as it also introduces the obligation for carriers and terminal operators to better inform passengers about their rights, notably when booking a ticket or in case of a transport disruption including how to complain. The more knowledgeable passengers are on their rights, the more passengers will succeed in making informed complaints, with sufficient information and documentation, which in turn will facilitate effective complaint handling. As such PO 1.2 is also much more effective in addressing SO2 than PO 1.1.

Concerning **SO3**, while each of the policy options PO 2.1, PO 2.2 and PO 2.3 would see the improvement of information to all multimodal passengers prior to their journey, PO 2.2 and PO 2.3 would also imply that passengers having a category A or B ticket would receive better information during their journey with the introduction of an obligation for carriers and ticket vendors/tour operators to provide real-time information.

In addition, each of the policy options PO 2.1, PO 2.2 and PO 2.3 is expected to improve the assistance to passengers in case of a travel disruption during multimodal journeys, notably of those passengers acquiring a category A-ticket, with the introduction in PO 2.1 and PO 2.2 of a basic set of rights. These rights include a right to pre-purchase information, a right to reimbursement or re-routing, and the right to care (meals, refreshments, accommodation), which is complemented with a right to conclude an alternative contract in PO 2.3.

PO 2.3 would be the most effective in addressing SO4 for passengers with a category B-ticket due to the additional incentive for ticket vendors and tour operators to inform passengers with separate tickets compared to PO 2.2 (i.e. liability in the form of the same enhanced rights as passengers with a category A-ticket, compared to a right to reimbursement combined with a

75% penalty). PO 2.1 would not bring any particular contribution to passengers having a category B ticket.

Concerning **SO4**, the effects of PO 2.1 are expected to be rather limited where PRM would be informed on the accessibility of transport infrastructure where they intend to undertake a multimodal journey (PM B.1) and would receive assistance where they acquired a category A-ticket (PM B.3a). PO 2.2 and PO 2.3 are however expected to significantly contribute to increasing the assistance of all PRM performing a multimodal journey (i.e. not only those having a category A ticket) by the establishment of Single Points of Contact at multimodal hubs where PRM will be able to pre-notify their special needs only once for every segment of the journey.

Concerning **SO5**, all options ensure clarity on the reimbursement process through the information that carriers and intermediaries have to provide to passengers, but also the rules on the reimbursement procedure and the B2B rules under PO 3.2 and PO 3.3. PO 3.3 will be the least effective, as the passenger will have to deal with the burden and hassle of communicating to both the carrier and the intermediary. On the other hand, under PO 3.1 and PO 3.2, the procedure would be clarified upfront, prior to booking. Intermediaries (under PO 3.2 and PO 3.3) will no longer be able to foresee in their terms and conditions reimbursement periods to their customers where the maximum length of the reimbursement to the customer (after having received the payment from the carrier) is left open[174].

7.2 Efficiency

Efficiency concerns "the extent to which objectives can be achieved for a given level of resource/at least cost".

7.2.1 Assessment of efficiency for policy options under problem area 1 (Passengers do not fully benefit from their rights due to shortcomings in implementation and enforcement)

For **PO 1.1**, **total costs and loss of revenues** are estimated at **EUR 130.7** million, expressed as present value over 2025-2050 relative to the baseline (see Table 26). The main part of these costs is expected to be incurred by carriers (**EUR 103.8 million**), of which **EUR 90.4 million** by bus and coach operators, **EUR 12.5 million** by waterborne operators and **EUR 832 thousand** by air carriers. Intermediaries are expected to incur costs of approximately **EUR 14.4 million** and terminal operators **EUR 3.6 million**. The loss of revenues for the claim agencies are estimated at **EUR 1.7 million**. For national public authorities, total costs amount to approximately **EUR 7.2 million**.

For **PO 1.2**, **total costs and loss of revenues** are estimated at approximately **EUR 138 million**, expressed as present value over 2025-2050 (of which **EUR 109.1 million** for carriers, **EUR 14.4 million** for intermediaries, **EUR 4.3 million** for terminal operators, **EUR 1.7 million** for claim agencies and **EUR 8.6 million** for national public authorities). As such, PO 1.2 adds **EUR 7.3 million** relative to PO 1.1, which is mainly attributed to NEBs, carriers and terminal operators. The additional cost for PO 1.2 are due to PM A.5 (outlining and publishing risk assessments for NEBs) and PM A.6 (on the obligation of carriers and terminal operators to better inform passengers about their rights). In terms of split by carrier PO 1.2 leads to costs of **EUR 94.9 million** for bus and coach operators, **EUR 13.1 million** for waterborne operators, **EUR 1 million for** air carriers and **EUR 66 thousand** for rail operators.

[174] Furthermore, passengers often do not check an intermediary's terms and conditions, so having this right guaranteed by law is a clear advantage to the passenger.

For both **PO 1.1** and **PO 1.2**, under a conservative approach, **total cost savings** are estimated at approximately **EUR 154.5 million,** expressed as present value over 2025-2050 relative to the baseline. Of these, **EUR 148.7 million** represent benefits for the consumers (in particular hassle costs savings due to PM A.3) and **EUR 5.9 million** enforcement costs savings for national public authorities.

Both **PO 1.1** and **PO 1.2** result in **net benefits**, estimated at **EUR 23.9 million** and **EUR 16.6 million** respectively, expressed as present value over 2025-2050 relative to the baseline. PO 1.1 and PO 1.2 show similar benefits to costs ratio, estimated at 1.18 for PO 1.1 and 1.12 for PO 1.2.

Table 26: Summary of costs and benefits of policy options under the problem area 1 - expressed as present value over 2025-2050 relative to the baseline, in million EUR (2021 prices)

	Difference to the Baseline	
	PO 1.1	PO 1.2
Carriers		
Administrative costs	93.07	93.07
Adjustment costs	10.73	15.99
Terminal operators		
Administrative costs	2.35	2.35
Adjustment costs	1.27	1.91
Intermediaries		
Adjustment costs	14.36	14.36
Claim agencies		
Loss of revenues	1.65	1.65
National public authorities		
Adjustment costs	0.02	0.02
Administrative costs	0.00	1.40
Enforcement costs	7.21	7.21
Enforcement costs savings	5.86	5.86
Consumers		
Hassle costs savings	148.67	148.67
Other costs savings for consumers	1.65	1.65
Total costs and loss of revenues	130.66	137.95
Total costs savings	154.53	154.53
Net benefits	23.87	16.57
Benefits to costs ratio	1.18	1.12

Source: PWC, TIS and Steer (2023), Impact assessment support study

It should be noted that there is high uncertainty regarding the hassle costs savings estimated for the consumers. A conservative approach (lower bound estimate) has been used for the calculations above. When considering the higher bound estimate of the hassle costs savings, the net benefits of the policy options are estimated to be much higher (EUR 317.9 million in PO 1.1 and EUR 310.6 million in PO 1.2). The benefits to costs ratio is also estimated to be higher although also very similar between PO 1.1 and PO 1.2. Thus, using the higher bound estimate for the hassle costs savings does not change the ranking of the options with regard to the benefits to costs ratio.

7.2.2 Assessment of efficiency for policy options under problem area 2 (Insufficient protection of passengers during multimodal journeys)

Total costs for **PO 2.1** are estimated at **EUR 41.5 million**, expressed as present value over 2025-2050 relative to the baseline, of which the costs for industry represent **EUR 22.1 million**. The largest share of costs for industry is provided by adjustment costs for carriers (**EUR 20.6**

million), followed by adjustment costs for multimodal terminal operators (**EUR 1.1 million**) and for intermediaries (**EUR 0.38 million**). Enforcement costs for national public authorities are estimated at **EUR 19.4 million** in **PO 2.1**.

In **PO 2.2**, **total costs** are estimated to be higher than in PO 2.1, at **EUR 379.8 million** expressed as present value over 2025-2050 relative to the baseline. Of these, **EUR 356.4 million** represent costs for the industry and **EUR 23.3 million** enforcement costs for national public authorities. The largest share of costs for industry are represented by adjustment costs for multimodal terminal operators (**EUR 317.64 million**), which are mostly linked to the obligation to set up Single Points of Contact (PM B.5). Costs for carriers are estimated at **EUR 35.3 million** (i.e. **EUR 0.1 million** administrative costs and **EUR 35.2 million** adjustment costs), while the costs for intermediaries (mostly adjustment costs) at **EUR 3.5 million**.

Total costs in **PO 2.3** are estimated at **EUR 383.6 million** (i.e. **EUR 360.3 million** for the industry and **EUR 23.3 million** for national public authorities). The costs for multimodal terminal operators are estimated to **EUR 317.6 million** (the same as in PO 2.2), the costs for carriers at **EUR 39.1 million** and those for intermediaries at **EUR 3.6 million**, expressed as present value over 2025-2050 relative to the baseline. The slightly higher costs for carriers and intermediaries relative to PO 2.2 are mainly due to PM B.3b, which additionally includes a right to conclude an alternative contract (compared to PM B.3a included in PO 2.2).

Total benefits, expressed as present value over 2025-2050 relative to the baseline, are estimated to be the highest in **PO 2.3** (**EUR 493.7 million**), followed by **PO 2.2** (**EUR 490 million**) and **PO 2.1** (**EUR 212.7 million**). Of these, the largest share of the **benefits** are expected **for consumers** (**EUR 363 million** in **PO 2.3**, **EUR 359.2 million** in **PO 2.2** and **EUR 81.9 million** in **PO 2.1**).

As explained in section 6.1.5, the benefits for consumers are reflected through **hassle costs savings** for PRMs due to PM B.3a in PO 2.1 and PO 2.2 and PM B.3b in PO 2.3 (**EUR 18.6 million**), due to the Single Point of Contact in PO 2.2 and PO 2.3 (**EUR 277.3 million**) and due to the complaint handling mechanism (**EUR 43.3 million**) in PO 2.1, PO 2.2 and PO 2.3. In addition, the right to reimbursement/re-routing and care for passengers performing a multimodal journey under a category A ticket implies that passengers would avoid costs associated to re-routing, refreshments, meals, and accommodation in the event of a missed connection. The costs savings for reimbursement/re-routing and care are estimated at **EUR 20.1 million** in PO 2.1 and PO 2.2, expressed as present value over 2025-2050 relative to the baseline, while for PM PO 2.3, which includes the right to conclude an alternative transport contract, at **EUR 23.8 million**.

All policy options are also expected to result in **hassle costs savings** for multimodal transport operators (**35.3 million**) and intermediaries (**EUR 24 million**) due to less time spent for handling complaints. NEBs would also benefit of hassle costs savings in all policy options (**71.4 million**) for processing the complaints from passengers concerning multimodal journeys (see Table 27).

PO 2.1 results in the highest **net benefits**, estimated at **EUR 171.2 million** expressed as present value over 2025-2050 relative to the baseline, followed by **PO 2.2** (**EUR 110.2 million**) and **PO 2.3** (**EUR 110.1 million**). PO 2.1 also results in the highest benefits to costs ratio, while PO 2.2 and PO 2.3 show similar benefits to costs ratios (see Table 27). Thus, the most efficient option is PO 2.1, followed by PO 2.2 and PO 2.3.

Table 27: Summary of costs and benefits of policy options under the problem area 2 - expressed as present value over 2025-2050 relative to the baseline, in million EUR (2021 prices)

	Difference to the Baseline		
	PO 2.1	PO 2.2	PO 2.3
Carriers			
Administrative costs	0.00	0.12	0.12
Adjustment costs	20.60	35.22	38.95
Hassle costs savings	35.33	35.33	35.33
Terminal operators			
Adjustment costs	1.11	317.64	317.64
Intermediaries			
Administrative costs	0.00	0.03	0.03
Adjustment costs	0.38	3.44	3.55
Hassle costs savings	24.01	24.01	24.01
National public authorities			
Enforcement costs	19.42	23.34	23.34
Hassle costs savings	71.42	71.42	71.42
Consumers			
Benefits for consumers	20.09	20.09	23.81
Hassle costs savings	61.86	339.14	339.14
Total costs	41.51	379.78	383.63
Total costs savings	212.71	489.99	493.72
Net benefits	171.20	110.21	110.09
Benefits to costs ratio	5.12	1.29	1.29

Source: PWC, TIS and Steer (2023), Impact assessment support study

It should be noted that there is high uncertainty regarding the hassle costs savings estimated for the consumers, carriers, intermediaries and national public administrations. A conservative approach (lower bound estimate) has been used for the calculations above. When considering the higher bound estimate of the hassle costs savings, the net benefits are estimated at EUR 702.6 million in PO 2.1, EUR 918.9 million in PO 2.2 and EUR 918.8 million in PO 2.3. In terms of benefits to costs ratio, the ranking of the policy options does not change.

7.2.3 Assessment of efficiency for policy options under problem area 3 (Reimbursement rules are unclear when flights were booked via an intermediary)

Total costs, expressed as present value over 2025-2050 relative to the baseline, are estimated to be the highest in **PO 3.1** (**EUR 2,719.6 million**), followed by **PO 3.3** (**EUR 682.7 million**) and **PO 3.2** (**EUR 57.5 million**). The largest share of these costs in PO 3.1 and PO 3.3 is represented by administrative costs for air carriers (**EUR 1,617.2 million** in **PO 3.1** and **EUR 323.5 million** in **PO 3.3**) for processing manual reimbursements (as automatic reversal of payment is not possible), and **hassle costs for consumers** for requesting reimbursement from air carriers (**EUR 1,044.9 million** in **PO 3.1** and **EUR 301.8 million** in **PO 3.3**), due to the additional information that they will need to provide before requesting their reimbursement in case of tickets bought via intermediaries. All options would lead to minor administrative costs for air carriers for the information obligation (**EUR 0.07 million**). **Intermediaries** would incur administrative costs (information to passengers) of **EUR 57.4 million** in all policy options. **National public authorities** are not expected to incur any additional cost under any option, as these are covered by PM A.5.

Overall, for the industry, the option with the lowest costs is **PO 3.2** (the carrier can choose whether the passenger has to request the reimbursement from the intermediary or the carrier), followed by PO 3.3 (the passenger can choose whether to request the reimbursement from the

intermediary or the carrier). PO 3.1 (all reimbursement requests carried out by the air carrier) shows the highest costs.

For the consumers, **PO 3.2** contains no additional hassle costs relative to the baseline, and will only take 7 days longer than the procedure via the carrier only. In position papers submitted to the Commission, passenger and consumer associations have not advocated the carrier-only procedure under PO 3.1.

Total benefits, expressed as present value over 2025-2050 relative to the baseline, are estimated at **EUR 3,030 million** in **PO 3.1**, followed by **PO 3.3** (**EUR 1,949.3 million**) and **PO 3.2** (**EUR 1,679.1 million**). The largest share of the total benefits is represented by hassle costs savings for consumers. Under **all options**, passengers would benefit from **hassle cost savings** of **EUR 1,679.1 million** because of the **clarity on the reimbursement procedure**. All options also **enable the passengers to approach the carrier for the reimbursement, with the data needed, if necessary**. This is expected to lead to hassle costs savings for consumers in particular in PO 3.1 and PO 3.3, estimated at **EUR 522.5 million** and **EUR 104.5 million**, respectively. The new fixed reimbursement deadline of 7 days for Merchant of Record intermediaries under PM C.3 (PO 3.2 and PO 3.3) will also lead to time savings for all cases where the intermediaries' terms and conditions foresee a reimbursement deadline that is longer than 7 days. The new deadline will also provide clarity to consumers where the intermediary's terms and conditions do not stipulate any clear maximum payment deadline.

Intermediaries would benefit of **administrative costs savings** of **EUR 828.5 million** in **PO 3.1** for no longer carrying out the reimbursement requests. Under **PO 3.3**, the **administrative costs savings** (**EUR 165.7 million**) correspond to the share of passengers who choose to change the processing of the reimbursement from the intermediary to the air carrier. However, intermediaries may incur indirect costs, which cannot be quantified, as a result of no longer (or to a lesser degree) being able to offer the processing of reimbursements to their customers (and to airlines, as part of their agreements with them) as part of their service package. This would damage to a certain extent their business model of maintaining an exclusive relationship with their customers, which is why the intermediaries said in the stakeholder consultation that they are in favour of continuing to process reimbursement for their customers.

Net benefits are estimated to be the highest in **PO 3.2** (**EUR 1,621.6 million**), followed by **PO 3.3** (**EUR 1,266.6 million**) and **PO 3.1** (**EUR 310.5 million**). PO 3.2 also shows the highest benefits to costs ratio (see Table 28). Thus, **PO 3.2** is considered the most efficient option.

Table 28: Summary of costs and benefits of policy options under the problem area 3 - expressed as present value over 2025-2050 relative to the baseline, in million EUR (2021 prices)

	Difference to the Baseline		
	PO 3.1	**PO 3.2**	**PO 3.3**
Carriers			
Administrative costs	1,617.22	0.07	323.50
Intermediaries			
Administrative costs	57.42	57.42	57.42
Administrative costs savings	828.47	0.00	165.69
Consumers			
Hassle costs	1,044.90	0.00	301.76
Hassle costs savings	2,201.57	1,679.11	1,783.61
Total costs	2,719.55	57.49	682.69
Total benefits	3,030.03	1,679.11	1,949.30
Net benefits	310.48	1,621.62	1,266.61
Benefits to costs ratio	1.11	29.20	2.86

Source: PWC, TIS and Steer (2023), Impact assessment support study

There is high uncertainty regarding the hassle costs and costs savings estimated for consumers. A conservative approach (lower bound estimate) has been used for the calculations above. When considering the higher bound estimate of the hassle costs and costs savings, the net benefits are estimated at EUR 1,467.1 million in PO 3.1, EUR 3,300.7 million in PO 3.2 and EUR 2,748.5 million in PO 3.3. In terms of benefits to costs ratio, the ranking of the policy options does not change.

7.3 Coherence

Internal coherence assesses how various elements of the initiative function together to achieve the objectives. The policy options are coherent across the three problem areas. Furthermore, the policy measures enhancing the enforcement are expected to contribute strongly to the success of the policy measures related to reimbursements and multimodal travel. PM A.4 included in PO 1.2, under which NEBs shall perform compliance monitoring activities of the industry stakeholders based on a risk assessment, may include the monitoring of the respect of the reimbursement deadlines by carriers and intermediaries.

External coherence concentrates on the compliance of the initiative with national policies, other EU instruments and relevant EU policies, as well as international obligations.

PO 1.1 and **PO 1.2** are coherent with the **existing EU legal framework on passenger rights**. The policy measures common to both PO 1.1 and PO 1.2 intend to harmonise passenger rights across modes of transport. They would introduce certain passenger rights or NEB and industry obligations already existing in the new Rail Passenger Rights Regulation or in the 2013 Commission proposal on air passenger rights to the other Regulations. PO 1.1 and PO 1.2 are also coherent with other EU instruments aimed to enhance enforcement in Member States, especially concerning the **ADR** procedures and the **CPC** network which ensure strong powers for cross border enforcement. Under both policy options, the NEBs' role will be strengthened, and the Commission will be given a role in order to ensure an EU wide perspective of enforcement, which will help the NEBs in the CPC network by ensuring that NEBs are aware of the situation in other Member States. Increased awareness of passengers about the possibility to address themselves to ADRs ensures cooperation between different instruments in place in a Member State, that passengers can use in cases where their rights have not been observed.

PO 2.1, **PO 2.2** and **PO 2.3** are all coherent with the **existing EU legal framework on passenger rights**. More precisely, the proposed intervention aims to protect passengers performing a multimodal journey in a way similar to those passengers undertaking a journey with one single mode of transport (e.g. information, reimbursement, re-routing, care, assistance to PRM) and builds on currently existing mechanisms to ensure the application of passengers' rights (Single Point of Contact for PRM, complaint-handling, enforcement). These three options also show strong links with the revision of Delegated Regulation 2017/1926 on Multimodal Travel Information Services (**MMTIS**) that aims to improve the information service for passengers.

Policy options **PO 3.1**, **PO 3.2** and **PO 3.3**, and in particular the latter two, build on the **Commission's proposal of 2013[175] to amend Regulation (EC) No 261/2004 on air passenger rights** and complement it. According to the proposal, for the purpose of informing passengers about cancellations or delays in departure, the intermediary through whom the passenger acquired a ticket has two possibilities: it either provides the passenger's contact details to the air carrier, on condition that the passenger has given his explicit and written authorisation, on

[175] COM(2013) 130 final.

an 'opt-in' basis, or it proves the existence of an alternative system that ensures that the passenger is informed without the transmission of the relevant contact details. In addition, the (in total) 14-day reimbursement period from the passenger's request and when an intermediary is involved (under PO 3.2 and PO 3.3) creates an alignment with the **Package Travel Directive**, which already includes this same 14-day reimbursement period when the package travel organiser needs to reimburse a package traveller.

The currently ongoing review of the Package Travel Directive[176] assesses as part of one option a 7-day deadline for the airline's reimbursement of tickets as part of a package to the package travel organiser in case the airline cancels the flight. This aligns with the 7-day deadline that this initiative's PO 3.2 (and PO 3.3) includes for reimbursements of single tickets from the airline to the intermediary, where the intermediary processes the reimbursement.

7.4 Subsidiarity and proportionality

None of the options go beyond what is necessary to achieve the objectives of the initiative.

Effective **enforcement** of rules (**PO 1.1** and **PO 1.2**) rests on the cooperation between Member States. Therefore, intervention at EU level is needed to ensure that enforcement occurs in an aligned manner across Member States, so that all passengers effectively enjoy their passenger rights in a harmonised way, through a facilitation of efficient correspondence and knowledge sharing between Member States.

The three options addressing problem 2 related to **multimodal journeys** (**PO 2.1**, **PO 2.2** and **PO 2.3**) cover the same scope as the existing EU passenger rights framework (rail, bus and coach for long distance journeys, waterborne and air) and seek to address a gap in EU legislation which, if left at national level, would create the risk of distortions or potential negative spill-over effects.

Regarding the three options addressing problem 3, it should be recalled that the air travel distribution market in the EU is essentially cross-border, with some of the largest **intermediaries** being international market players. Individual national action or action in only a limited number of Member States would not be beneficial to the EU consumer and would lead to distortions of the internal market.

In relation to **proportionality**, each of the policy options addressing the three problems identified contributes to achieving the general objectives and the measures proposed are proportionate in view of the specific objectives.

On enforcement, both **PO 1.1** and **PO 1.2** address SO1 (Ensure effective and efficient enforcement across all Member States) and SO2 (Ensure effective complaint handling for passengers). PO 1.1 introduces measures already established for rail and proposed for air passenger rights (2013 proposal) to the other modes of transport. In PO 1.2, two additional policy measures (obligation to NEBs to carry out their monitoring activities following a risk assessment and obligation for carriers and terminal operators to better inform passengers about their rights, notably when booking a ticket or in case of a transport disruption) are included to address more effectively the issues of passengers' low awareness of their rights and of the diverging scope of NEBs' actions. Both additional policy measures leave carriers and terminal operators, as well as NEBs, flexibility on how they want to implement them. As PO 1.2 addresses two important aspects of the general objective that PO 1.1 does not address, but the

[176] See https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/13117-Package-travel-review-of-EU-rules_en.

additional policy measures leave flexibility for carriers, terminal operators and NEBs respectively to implement them, **PO 1.2 is considered more proportionate than PO 1.1**.

Among the three options addressing problem 2, **PO 2.2 is assessed to be more proportionate than PO 2.1 and PO 2.3**. This option is highly effective in addressing both SO3 (Increase protection of passengers facing travel disruptions in the context of multimodal journeys) and SO4 (Increase information for and assistance of persons with disabilities or reduced mobility when switching between transport modes), while at the same time not going beyond what is necessary for achieving the objectives. In particular, the measures in PO 2.2 aim at complementing the current market structure. Single contracts of carriage, on the one hand, imply a certain degree of arrangements and cooperation mechanisms between transport providers to ensure the passenger's transfer from one transport mode to the other. The proposed measures would therefore aim to specify the level of service to be granted to passengers in a context where the transport operators are in a position to deliver such assistance. Separate tickets, on the other hand, suggest the absence of cooperation between transport providers. Therefore, when these tickets are offered together, this lack of arrangements between transport operators should be made clear to passengers, while at the same time avoiding creating an undue burden on ticket vendors and tour operators who, as a general rule, do not operate transport services themselves. In the same vein, PO 2.2 is more proportionate than PO 2.3 in view of the sanction to be applied when ticket vendors and tour operators do not provide this information. Whereas in PO 2.2 this sanction consists of a reimbursement of the amount paid for the tickets by the passenger and an additional penalty of 75% of that amount, the sanction under PO 2.3 would consist of ensuring rights to passengers as if the ticket vendors and tour operators would be carriers themselves (i.e. reimbursement, re-routing, care, right to alternative transport contract). PO 2.2 is also more proportionate than PO 2.1, where the latter does not foresee any sanction to incentivise ticket vendors and tour operators to provide such information.

Both **PO 3.1 and PO 3.3** (for the part that will be processed by carriers directly and which was formerly processed by intermediaries) are less proportionate than the baseline, because they deviate from established industry practice. **PO 3.2**. reflects the established industry practice, i.e. how the air travel and distribution industry operates, and is therefore the most proportionate option. Processing the reimbursement requests of their customers is part of the (full service) business model of intermediaries, and also what is expected under their current agreements with many airlines[177]. **PO 3.2** is also the only option of the three which reflects the current air carrier distribution models, with airlines adopting different policies for the reimbursement of tickets booked by intermediaries, depending on their business model. Most carriers (network and small low-cost carriers) sell a large share of tickets via intermediaries and have agreements with these in place (including for reimbursements)[178]. However, currently, at least one large low-cost carrier allows only the purchase of its tickets, if done online via its website directly by the passenger and does not use intermediaries (or only in a very restricted form). Nevertheless, intermediaries do in certain instances purchase tickets from carriers with a full or partial preference/model for direct distribution to the passenger, often without the knowledge of the carrier. This creates difficulties when it comes to reimbursements, as the carrier may refuse to perform reimbursements via the intermediaries in this context. However, only the intermediary may hold the key information necessary for the reimbursement such as the bank details and payment method for the reimbursement or the passenger's contact details. Under PO 3.2, these carriers can continue their current practice of asking passengers to carry out the reimbursements directly with them. PO 3.2 is the least intrusive in terms of market practice.

[177] E.g. as part of the IATA rules.

[178] In the reference year 2019, network carriers in the EU sold about 53% of their tickets (about 269 million passengers in terms of tickets sold in 2019) through intermediaries, whereas this share is 15% for low-cost carriers (about 64 million passengers in 2019).

Table 29 provides a summary of the comparison of the options against the baseline scenario in terms of effectiveness, efficiency, coherence, subsidiarity and proportionality. The following ranking symbols have been used: from '+' (more effective/efficient/coherent/ proportionate than the baseline) to '+++' (much more effective/efficient/coherent/proportionate than the baseline); from '-' (less effective/efficient/coherent/proportionate than the baseline) to '---' (much less effective/efficient/coherent/ proportionate than the baseline).

Table 29: Comparison of options in terms of effectiveness, efficiency, coherence, subsidiarity and proportionality relative to the baseline

Criteria	PO 1.1	PO 1.2	PO 2.1	PO 2.2	PO 2.3	PO 3.1	PO 3.2	PO 3.3
Effectiveness	+	+++	+	+++	+++	++	++	+
Efficiency	+	+	++	+	+	+	+++	++
Coherence	+++	+++	+++	+++	+++	+	++	++
Subsidiarity and proportionality	+	+ +	+	+++	++	--	++	-

8 PREFERRED OPTIONS

8.1 Identification of the preferred policy options and stakeholder views

8.1.1 Preferred policy option and stakeholder views for problem area 1 (Passengers do not fully benefit from their rights due to shortcomings in implementation and enforcement)

The **preferred policy option for problem area 1 is PO 1.2**, which is the policy option that best ensures that carriers and terminal operators contribute to the effective complaint handling for passengers, and that NEBs further the effectiveness and efficiency of enforcement across all Member States.

While the two policy options do not directly differ in the scope of passengers protected, the two options do differ in degree of protection, as PO 1.2 goes further to align enforcement efforts across Member States and to help ease the complaint handling for passengers. PO 1.2 targets the issue of lack of harmonisation of enforcement across Member States directly by obliging NEBs to have their enforcement efforts based on risk assessments and for these risk assessments to be published. PO 1.2 also directly targets the issue of lack of passenger's awareness of their rights, by ensuring that passengers are provided with the information they need, when they need it, where they are. As such, to exclude these policy measures by choosing PO 1.1, would weaken the effectiveness significantly, as PO 1.1 exclusively aims at harmonisation between modes of transport, while PO 1.2 goes significantly further to accomplish the specific objectives. **PO 1.2 is thus assessed to be much more effective than PO 1.1 in achieving the objectives.**

In terms of **efficiency**, both PO 1.1 and PO 1.2 perform equally as they lead to similar benefits to costs ratios.

In terms of **coherence and subsidiarity** both PO 1.1 and PO 1.2 perform similarly. However, as explained in section 7.4, **PO 1.2 is assessed to be more proportionate than PO 1.1**. Thus, the analysis points to **PO 1.2** as the most balanced option in addressing both SO1 and SO2, and therefore as the preferred option.

Many national enforcement bodies (NEBs), carriers and terminal operators support PO 1.1, as it does not include obligations on risk assessments and an additional obligation to inform passengers about their rights when buying a ticket or in case of a transport disruption for these stakeholders. PO 1.2 is supported by consumer organisations as the option goes further on obligations for carriers and terminal operators to provide passengers with information on their rights. Well performing NEBs, carriers, terminal operators and intermediaries also support PO

1.2, as it ensures that the NEBs monitoring, and enforcement activities are more transparent and predictable.

8.1.2 Preferred policy option and stakeholder views for problem area 2 (Insufficient protection of passengers during multimodal journeys)

The **preferred policy option for problem area 2 is PO 2.2**, which ensures a fair balance between the effectiveness of the intervention in addressing SO3 and SO4 for multimodal passengers, including PRM, and efficiency in terms of benefits to costs ratio, given that this market is under development (see section 2.2.4). PO 2.2 is also the most proportionate option and performs the same as PO 2.1 and PO 2.3 in terms of coherence and subsidiarity.

With regard to **effectiveness**, PO 2.2 not only ensures that all passengers performing multimodal travel are well informed before and during their journey, but also provides for a basic set of rights for multimodal passengers having a single contract as well as improved information on the separate nature of the tickets to passengers having acquired such tickets for a multimodal journey from a ticket vendor or tour operator. The measures would therefore cover the entire multimodal passenger market (estimated at 91 million passengers in 2019) as regards the provision of pre-journey information and contains additional measures for both main sub segments of this market (single contracts (5%) and separate tickets (95%)), meaning that this option would be highly effective in achieving SO3. At the same time, the measures covered by this option would be very effective in addressing SO4, where PRM would not only be entitled to the right to non-discrimination and free assistance when travelling with a single contract of carriage, but also by the establishment of Single Points of Contact at multimodal hubs (and possibly beyond), thereby potentially covering the entire multimodal passenger market.

Even though PO 2.1 is more **efficient** than PO 2.2 in terms of benefits to costs ratio, the measures envisaged therein would only partially cover the multimodal market and therefore be less effective in achieving SO3, where it only provides for basic information rights for all multimodal passengers (e.g. on the type of multimodal ticket) as well as basic rights for single contracts of carriage for multimodal journeys (category A). As mentioned above, such single contracts only represent a small fraction (circa 5%) of the entire multimodal market. In addition, the measures in PO 2.1 would concern those single contracts of carriage that do not include an air leg, whereas nearly all multimodal products concern an air leg (see sections 2.2.4 and 5.2.2). No particular measures would be foreseen in addition for passengers having separate contracts (category B). Moreover, this policy option would only marginally consider the protection of PRMs who are not travelling on such single contracts, where they would only be entitled to pre-journey information on the accessibility of transport infrastructure when switching between modes. PO 2.1 would therefore be significantly less effective than PO 2.2 and PO 2.3 in achieving SO 3 and SO4. On the other hand, PO 2.3 is equally efficient to PO 2.2 in terms of benefits to costs ratio, whereas it only provides for a marginal increase in effectiveness in addressing SO3 (by introducing a full set of rights for both passengers travelling on single contracts (category A) and those travelling on separate tickets (category B)) and no additional benefits with regard to effectiveness in addressing SO4.

In terms of **coherence** and **subsidiarity**, all options perform equally. However, as explained in section 7.4, **PO 2.2 is more proportionate** than both PO 2.3 and PO 2.1. Thus, the analysis points to **PO 2.2** as the most balanced option in addressing both SO3 and SO4, and therefore as the preferred option.

Consumer associations support PO 2.3, as it would entail a high protection of consumers. Carriers and intermediaries rather support PO 2.1 in view of the current level of development of the multimodal ticketing market. NEBs are more favourable to PO 2.2.

8.1.3 Preferred policy option and stakeholder views for problem area 3 (Reimbursement rules are unclear when flights were booked via an intermediary)

The **preferred option for problem area 3 is PO 3.2,** which is the most efficient and proportionate option of the three. Together with PO 3.1, it is also the most effective one.

Both PO 3.1 and PO 3.2 are equally **effective** in providing clarity on the reimbursement process; PO 3.3 slightly less so because the passenger will need to inform the carrier and the intermediary simultaneously of their choice.

In terms of **efficiency**, PO 3.2 is much more efficient than both PO 3.3 and PO 3.1, with a much higher benefits to costs ratio (29.2 in PO 3.2 relative to 2.9 in PO 3.3 and 1.1 in PO 3.1). It is also by far the cheapest option as the most expensive element - the carrier's (mostly non-automated) processing of the reimbursement - is limited under this option.

PO 3.2 is **coherent** with the Commission's 2013 proposal to amend Regulation (EC) No 261/2004 on air passenger rights and complements it. The 14-day reimbursement period when the intermediary is involved also creates an alignment with the Package Travel Directive, where the package travel organiser also needs to reimburse the traveller within 14 days. PO 3.2 performs the same as PO 3.3 in terms of coherence and better than PO 3.1.

In terms of **subsidiarity**, all three policy options perform the same. However, PO 3.2 is the most **proportionate** of the three options because it interferes the least in the current market practice, where intermediaries process reimbursements for their customers as part of their business model, and carriers are paying for systems like the BSP[179], which facilitates the financial flows between airlines and intermediaries. PO 3.2 also follows best the current air carrier distribution model, with about 92% of tickets being processed through the "reversal of the payment flow" model. It will allow those air carriers that do not want to involve intermediaries for reimbursements to do so. Generally speaking, it will enable air carriers to follow a "pick and choose" approach with regard to intermediaries: cooperating with those they trust, and not to cooperate with those they don't trust. This will also benefit the passenger, as the passenger cannot be expected to have the market knowledge of which intermediary may abide by the rules, and which may not.

Most intermediaries and air carriers that took part in the stakeholder consultation favoured the option where the intermediary would be involved in the reimbursement process. For intermediaries, it was important that they would receive the money from the carrier first, without the need to pre-finance a reimbursement to the passenger, which PO 3.2 foresees. Even though PO 3.2 is not the cheapest option for intermediaries, because they would carry out the reimbursements, and do so free of charge, it is important to note that the stakeholder feedback has shown that the processing of reimbursements is part of the business model of the intermediaries. An EU association of intermediaries expressed the view that the intermediaries should be allowed to charge a fee for processing the reimbursement, but that, if passengers did not wish to pay the fee, the passengers should be allowed to submit their reimbursement request to airlines directly. PO 3.2 and 3.3 reflect this: under PO 3.3, the passenger can take this decision, and under PO 3.2, the intermediary can decide not to process the reimbursements.

For the passenger and consumer stakeholders and national authorities, it was important that passengers could still turn to the carrier if the intermediary does not reimburse the passengers in time, which PO 3.2 foresees. In the stakeholder consultation, airlines and intermediaries had rejected this measure. An EU association of intermediaries supported the possibility for the

[179] IATA's Billing and Settlement Plan (BSP) is a system designed to facilitate and simplify the selling, reporting and remitting procedures of IATA Accredited Passenger Sales Agents, as well as improve financial control and cash flow for BSP Airlines.

passenger to be able to turn to the airline if the intermediary had not received the payment from the airline in time, which PO 3.2 and 3.3 foresee for the intermediary procedure. Intermediaries and their associations and an association of airlines are also supportive of an additional 7-day payment deadline for intermediaries, which PO 3.2 includes.

8.1.4 Costs and benefits of the preferred package of policy options

Table 30 provides a summary of the costs and benefits of the preferred package of policy options, expressed as present value over 2025-2050 relative to the baseline.

Table 30: Summary of costs and benefits of the preferred package of policy options - expressed as present value over 2025-2050 relative to the baseline, in million EUR (2021 prices)

	Preferred package of options (difference to the baseline)
Carriers	
Administrative costs	93.3
Adjustment costs	51.2
Hassle costs savings	35.3
Terminal operators	
Administrative costs	2.3
Adjustment costs	319.5
Intermediaries	
Administrative costs	57.5
Adjustment costs	17.8
Hassle costs savings	24.0
Claim agencies	
Loss of revenues	1.6
National public authorities	
Adjustment costs	0.02
Administrative costs	1.4
Enforcement costs	30.6
Enforcement costs savings	5.9
Hassle costs savings	71.4
Consumers	
Benefits for consumers	2,187.0
Total costs	573.6
Total costs and loss of revenues	575.2
Total benefits	2,323.6
Net benefits	1,748.4
Benefits to costs ratio	4.0

Source: PWC, TIS and Steer (2023), Impact assessment support study

The **total costs** (and loss of revenues for the claim agencies) of the preferred policy package are estimated at **EUR 575.2 million** in addition to the baseline over the period 2025 to 2050. For *carriers*, total costs are estimated at EUR 144.5 million expressed as present value over 2025-2050 relative to the baseline, of which EUR 51.2 million adjustment costs and EUR 93.3 million administrative costs. The largest share of adjustment costs is driven by the right to reimbursement or re-routing, the right to care and the right to PRM assistance for passengers having a single contract of carriage (category A), and by the need to put in place the system for providing real-time information to passengers for multimodal ticket categories A and B (separate tickets bundled by intermediaries). The administrative costs are largely driven by the requirement to report, following the setting up of service quality standards and a quality management system. For *terminal operators*, total costs are estimated at EUR 321.9 million

expressed as present value over 2025-2050 relative to the baseline, of which EUR 319.5 million adjustment costs and EUR 2.3 million administrative costs. The requirement to establish a "Single Points of Contact" (SPC) for PRM at multimodal hubs makes up a large part of the adjustment costs (EUR 316.5 million), while the administrative costs are driven by the requirement to report on results, following the setting up of service quality standards and a quality management system. For *intermediaries*, total costs are estimated at EUR 75.2 million, of which EUR 17.8 million adjustment costs and EUR 57.5 million administrative costs. The administrative costs are mainly driven by the need to change the information systems, to inform passengers on the reimbursement process. *Claim agencies* may experience losses, estimated at EUR 1.6 million, due to the use of the cheaper option of an Alternative Dispute Resolution (ADR) body. For *national public authorities*, total costs are estimated at EUR 32 million, of which EUR 30.6 million enforcement costs, EUR 1.4 million administrative costs and EUR 0.02 million adjustment costs.

Total benefits are estimated at **EUR 2,323.6 million** expressed as present value over 2025-2050 relative to the baseline. The ultimate beneficiaries of this initiative are the *passengers* whose awareness about their rights is expected to increase because of the action of carriers, intermediaries, terminal managers, and enforcement authorities. In addition, passengers (including PRM) would enjoy more rights to information and assistance when performing a multimodal journey.

Total *benefits for passengers* are estimated at EUR 2,187 million, of which EUR 2,165.3 million correspond to hassle costs savings. Hassle costs savings are driven by the time saved thanks to: the higher clarity on the reimbursement procedure (EUR 1,679.1 million), the Single Point of Contact for PRMs (EUR 277.3 million), the use of a EU-wide standardised form for reimbursements and compensation requests (EUR 147 million), the complaint-handling mechanism for multimodal passengers (EUR 43.3 million) and the assistance for PRM passengers travelling under category A multimodal tickets (EUR 18.6 million). In addition, passengers benefit of assistance rights in the event of a missed connection during a multimodal journey (in particular the right to reimbursement and re-routing as well as a right to care in the form of e.g. refreshments, meals and accommodation), estimated at EUR 20.1 million, and of the use of the cheaper option of an Alternative Dispute Resolution (ADR) body, estimated at EUR 1.6 million.

Carriers and intermediaries also benefit of hassle costs savings due to the complaint-handling mechanism for multimodal passengers, estimated at EUR 35.3 million and EUR 24 million, respectively, expressed as present value over 2025-2050 relative to the baseline.

For *national public authorities*, the enforcement costs savings are estimated at EUR 5.9 million, expressed as present value over 2025-2050 relative to the baseline. Costs savings are due to an easier way to evaluate compliance for carriers and terminal operators, without having to do more in depth and costly monitoring activities, the use of standard claim forms which easy monitoring activities and the expected decrease in the number of court cases. In addition, they are expected to experience hassle costs saving due to the complaint-handling mechanism for multimodal passengers (EUR 71.4 million).

The preferred policy package is estimated to result in **net benefits of EUR 1,748.4 million**, expressed as present value over 2025-2050 relative to the baseline. The benefits to costs ratio is estimated at 4.

It should be noted that there is high uncertainty regarding the hassle costs savings estimated for the consumers, carriers, intermediaries and national public administrations. A conservative approach (lower bound estimate) has been used for the calculations above. When considering

the higher bound estimate of the hassle costs savings, the net benefits are estimated at EUR 4,530.3 million and the benefits to costs ratio at 8.9.

It should be stressed that only passengers who are aware of their rights, and are convinced that they can make use of them and enforce them if needed, will have sufficient trust in the common transport system. This trust is the precondition to convince people to use more common instead of individual transport. This again is a precondition for a more sustainable transport system. The European Parliament, the Council as well as the European Court of Auditors have also underlined the importance of the protection of passengers (see above section 1).

8.2 REFIT (simplification and improved efficiency)

This initiative is part of the Commission Work Programme 2023 under Annex II (REFIT initiatives), under the heading An Economy that Works for People[180]. It has an important REFIT dimension in terms of harmonisation of rights across modes as well as simplification of the rules for passengers travelling in a multimodal context. It also presents simplifications for passengers who use intermediaries to buy their air tickets, as it becomes clear how they will be reimbursed (most importantly: by whom and when).

Table 31: REFIT potential

Problem	Simplification potential	Efficiency potential	Reduction of regulatory costs
1	For passengers and NEBs, PO 1.2 has great simplification potential, as it introduces an EU-wide standardised claim form that passengers can always resort to, instead of using claim tools that vary between service providers. In turn, these forms can also serve as a standardised model to which operators may align their own systems, which would facilitate themselves as well as NEBs to review a case's factual circumstances, should the claim be escalated to a complaint.	For transport operators it will be clearer how to comply with the existing rights, making the implementation more efficient. For NEBs it will be easier to enforce the EU passenger rights acquis, because transport operators will have to share more data with them about their compliance with the rules. For passengers it will ease the process of submitting a request for a reimbursement or a compensation and passengers will be able to make more informed decisions about which carrier to choose based on their compliance with passenger rights.	For national public authorities, the enforcement costs savings are estimated at EUR 5.9 million, expressed as present value over 2025-2050 relative to the baseline. These costs savings are due to an easier way to evaluate compliance for carriers and terminal operators, the use of standard claim forms, and the expected decrease in the number of court cases. For consumers, the use of the cheaper option of an Alternative Dispute Resolution (ADR) body, is estimated to lead to costs savings of EUR 1.6 million, expressed as present value over 2025-2050 relative to the baseline. In addition, the use of the EU-wide standardised claim form could lead to hassle costs savings estimated at EUR 147 million, expressed as present value over 2025-2050 relative to the baseline. Regarding the trend to use increasingly more IT tools for reporting and analysis, costs may decrease in the medium to long term. Common rules on enforcement across all modes and including multimodal journeys facilitates a common approach across

[180] COM(2022) 548 final.

Problem	Simplification potential	Efficiency potential	Reduction of regulatory costs
			modes, which offers synergies regarding interpretation of the rules, information of passengers, and enforcement.
2	For passengers, PO 2.2 has a strong simplification potential as it improves their information on the type of ticket they are travelling with during a multimodal journey, where they currently would not have easy access to such information, if at all available. Multimodal passengers would also have improved redress tools under the preferred option by means of complaint-handling procedures on the level of both industry and national authorities, making it easier for them to assert their rights.	For passengers, there is a potential for cost savings where they miss a connection. Costs savings due to the right to reimbursement/re-routing and care are estimated at EUR 20.1 million, expressed as present value over 2025-2050 relative to the baseline. For PRM in particular, there is also an important efficiency potential where they would not only have a right to free assistance when travelling with a single multimodal contract but would also have the possibility to receive a coordinated assistance when transferring at multimodal hubs (Single Point of Contact). Such measures ensure that the burden on PRM to request such assistance when transferring between transport modes is reduced.	Given that there are currently no rules protecting passengers undertaking multimodal journeys, the preferred option would necessarily imply an increase in regulatory burden. However, there is a significant mitigating factor in this context, especially for transport operators, where they already apply most measures in the context of travels within a single mode of transport (e.g. reimbursement or re-routing, care, PRM assistance) – only the part of the journey when the passenger is switching between transport modes was not taken into consideration until now. In addition, significant hassle costs savings are estimated for consumers (EUR 339.1 million), carriers (EUR 35.3 million), intermediaries (EUR 24 million) and national public authorities (EUR 71.4 million), expressed as present value over 2025-2050 relative to the baseline.
3	For the passenger PO 3.2 has a very clear simplification potential, as the passenger will know to which party to turn to receive reimbursement. Clear deadlines for intermediary payments are introduced, which saves the passenger the inconvenience to rely on different terms and conditions of intermediaries.	For the carriers and the intermediaries there is a big efficiency potential as the reimbursement process and deadlines, and information channels, will be clear for all parties.	As this option introduces a new role for intermediaries, no reduction in the regulatory costs is expected. However, significant hassle costs savings are expected for consumers, estimated at EUR 1,679.1 million, expressed as present value over 2025-2050 relative to the baseline.

8.3 Application of the 'one in, one out' approach

The preferred package of options is expected to result in additional recurrent administrative costs for carriers, terminal operators and intermediaries, estimated at EUR 5.2 million per year, of which EUR 5.1 million for carriers[181], EUR 0.1 million for terminal operators[182] and EUR

[181] The number of carriers affected is 4,450 and the cost per carrier is estimated at EUR 1,137.
[182] The number of terminal operators affected is 546 and the cost per terminal operator is estimated at around EUR 233.4.

1,401 for intermediaries[183]. These costs are linked to the reporting on results, following the establishment of service quality standards and the implementation of a quality management system (EUR 5.18 million), and the need for carriers and ticket vendors/tour operators (except SMEs) to provide real-time information to passengers for category A and B tickets (EUR 0.01 million)[184]. In addition, one-off administrative costs for carriers and intermediaries are estimated at EUR 57.5 million, of which EUR 57.4 million for intermediaries[185] and EUR 0.1 million for carriers[186]. The costs for intermediaries are for informing passengers about the reimbursement process and the costs for carriers for updating the information disclosed to passengers on their reimbursement process.

9 HOW WILL ACTUAL IMPACTS BE MONITORED AND EVALUATED?

The Commission services will monitor the implementation and effectiveness of this initiative through a number of actions and obligations that are proposed in order to ensure progress towards achieving the operational objectives. With a strong focus on enforcement and reporting obligations, it is ensured that the NEBs as well as the Commission have a solid base to monitor an effective implementation. The implementation of the initiative will therefore be monitored by the Commission on a regular basis – mainly based on biennial reports from the NEBs containing information on compliance checks and their results in terms of detected infringements. In the future, this reporting and monitoring may be automated and digitalised[187]. Other sources of information to monitor the implementation of this initiative are carriers' published quality standards (PM A.2), citizen complaints and queries received by the Commission services directly, as well as regular Eurobarometer surveys on the topic of passenger rights. The continuous contacts with the national authorities that constitute the membership of the Expert Group on passenger rights will also facilitate the monitoring of the implementation of this initiative. For instance, the Expert Group may elaborate and suggest standardised procedures and guidelines for controlling compliance across Member States which can enhance consistency and comparability of data. In addition, such contacts may help to take mitigation measures in a timely manner.

All of the above-mentioned data will constitute important input to the regular evaluation of the legislative instrument that will be the result of this initiative. Five years after the entry into force of this legislation, the Commission services should carry out an evaluation to verify to what extent the objectives of the initiative have been reached.

The below table provides an overview of the operational objectives for the preferred policy package and presents relevant indicators for monitoring the objectives.

Table 32: Operational objectives per preferred option

PO	SO	Specific objectives	Operational objectives	Indicators
PO 1.2	SO1 SO2	Ensure effective and efficient enforcement across all Member States	Strengthen and incentivise NEBs to enforce legislation within their powers	Number, type and outcome of complaints received by NEBs/ADRs/ECCs Number/amounts of sanctions issued by NEBs

[183] The number of intermediaries affected is 6 and the cost per intermediary is estimated at around EUR 233.4.
[184] The one-off adjustment costs due to PM B.2 serve a broader scope than pure information reporting. By implementing real-time information provisions and integrating communication systems to multimodal passengers, their aim is to enable better services for multimodal passengers in case of disruptions and delays. For this reason, the one-off costs have been classified as adjustment costs rather than administrative costs.
[185] The number of intermediaries affected is 123,000 and the cost per intermediary is estimated at EUR 467.
[186] The number of carriers affected is 149 and the cost per carrier is estimated at EUR 467.
[187] The Commission will support the development of a prototype of an e-surveillance tool (Web Crawler). The e-surveillance tool could automate the process of monitoring the industry's compliance with passenger rights, specifically online information obligations.

PO	SO	Specific objectives	Operational objectives	Indicators
		Ensure effective complaint handling and reimbursement for passengers		Number and outcomes of compliance checks done by NEBs
			Ensure improvements in passenger rights outcomes	From the NEBs' biannual reports: - percentage of passengers using the EU-wide standardised form out of those who claim - number of inspections, detected infringements, detection ratio, penalties imposed, and compliance rates Reports from carriers and terminal operators: degree of implementation of the obligation to better inform passengers about their rights notably when booking a journey or in case of a disruption Results of future Eurobarometer surveys about the experience of citizens related to the application and enforcement of passenger rights
PO 2.2	SO3	Increase protection of passengers facing travel disruption in the context of multimodal journeys	Ensure delivery of passenger rights for all passengers travelling on multimodal journeys	Numbers of Member States that have established NEBs for multimodal rights
				Number of NEB enforcement actions in the context of multimodal journeys
				Number, type and outcome of complaints received from ticket categories a) and b) holders
				Number of ticket vendors and tour operators providing information to passengers having a category b)-ticket on the lack of rights in case of missed connections
				Number of passengers travelling multimodal
				Uptake of B2B agreements to offer single contracts of carriage for multimodal journeys (category A)
				Number of carriers, intermediaries and multimodal hubs providing real-time information to passengers
	SO4	Increase information for and assistance of PRM when switching between transport modes	Ensure PRM assistance switching between transport modes	Number of multimodal hubs that have a Single Point of Contact
				Number, type and outcome of PRM complaints received when switching between transport modes
PO 3.2	SO5	Ensure a clear reimbursement process when passengers booked via an intermediary	Ensure adequate reimbursement procedures (from airlines and intermediaries) and information provided to passengers	Number of passenger enquiries with NEBs regarding being ping-ponged between intermediaries and carriers (NEBs' biannual reports) Number of passengers' complaints with NEBs regarding intermediaries in general (as intermediaries currently have no statutory rights, passengers cannot complain to NEBs today as far as intermediaries are concerned) (NEBs' biennial reports)

ANNEX 1: PROCEDURAL INFORMATION

1. LEAD DG, DECIDE PLANNING/CWP REFERENCES

DG MOVE, Unit B5, is the lead Directorate General for the Impact Assessment on Better protection for passengers and their rights. An impact assessment was validated in the Decide Planning under reference PLAN/2021/11684.

The Call for Evidence was published in December 2021.

This initiative is part of the Commission Work Programme 2023 under Annex II (REFIT initiatives), under the heading 'An Economy that Works for People'.

2. ORGANISATION AND TIMING

The impact assessment on Better protection for passengers and their rights was coordinated by an Inter-Service Steering Group (ISSG) which was established in 2021 to oversee the impact assessment process. Representatives from Secretariat General, Legal Service, Directorate-General for Mobility and Transport (MOVE), Directorate-General for Competition (COMP), Directorate-General for Employment, Social Affairs and Inclusion (EMPL), Directorate-General for Justice and Consumers (JUST), Directorate-General for the Internal Market, Industry, Entrepreneurship and SMEs (GROW), Directorate-General for Communications Networks, Content and Technology (CNECT), the European External Action Service (EEAS), Directorate-General for Neighbourhood and Enlargement Negotiations (NEAR), Directorate-General for Financial Stability, Financial Services and Capital Markets Union (FISMA) were appointed to the Steering Group.

In total, 4 meetings of the ISSG were organised to discuss this impact assessment (on 9 December 2021, 22 June 2022, 27 April 2023 and 1 June 2023. The ISSG has in addition been consulted in writing on intermediary draft documents three times (August 2022, September 2022 and October 2022)

3. CONSULTATION OF THE RSB

The Impact Assessment received a positive opinion with reservations from the Regulatory Scrutiny Board on 7 July 2023. The following table describes how the RSB's main recommendations for improvements were addressed:

RSB Comment	Modification of the IA report
(1) The problem analysis should be strengthened to present better the scale of the problem across various transport modes in particular the multimodal travel. It should demonstrate with more evidence the enforcement problems related to the current passenger protection rules. It should clearly identify the market failure that the initiative tackles and explain why some of the problems identified cannot be mitigated by other measures (e.g. travel insurance). It should also clearly explain the magnitude of the consequences of the problems for all the actors involved.	The problem analysis has been strengthened for all three problems in sections 2.1 and 2.2, better showing their magnitude. Further evidence from the 2020 Eurobarometer survey and from the targeted stakeholder consultation have been added to better demonstrate the enforcement problems. These problems are now confirmed and detailed by various sources in section 2.1.1 (2020 Eurobarometer survey on passenger rights, four Commission evaluation studies, two ECA reports and the IA's stakeholder consultation). A definition of the size of the multimodal market and of the scale of the related problem have been provided in section 2.1.2. The same section now includes a reference to the lack of travel insurance. Data on the number of air passengers concerned by the problem of unclear reimbursement rules when flights were booked via an intermediary have been added to the problem definition in 2.1.3, along with the number of those passengers estimated to request a reimbursement and the number of affected airlines and air travel intermediaries in the EU. In section 2.2.6 on problem driver 6, a reference to Annex 13 has been added, which includes further evidence that airlines with an indirect booking model generally do not offer on their websites the possibility to request the reimbursement with them directly, and instead refer the customer to the intermediary. Regarding the magnitude of the consequences of the problems for all the actors involved, sections 2.1.2, 2.3.1, 2.3.2 and 2.3.3 were strengthened. Section 2.1.2 and 2.3.2: reference is made to a number of consequences of the insufficient protection of passengers during multimodal journeys, such as the lack of information and the lack of assistance. Section 2.3.1 (enforcement) and 2.3.3 (reimbursement rules): the consumer hassle costs are referred to, along with consumer personal welfare loss and risk of loss of consumer confidence in the transport sector.

RSB Comment	Modification of the IA report
(2) The rationale behind the choice of the preferred option needs to be better anchored in a strengthened analysis of benefits. The report should make the benefits of this initiative more evident, using more developed qualitative argumentation where enhancing quantitative analysis is not possible. The analysis should provide the evidence of consumer detriment and convincing arguments on how it would decrease as a result of the new measures. It should better explain who would be responsible and bear the costs of providing assistance to persons with reduced mobility during multimodal travel, in particular regarding the establishment of Single Point of Contacts. Based on a strengthened analysis of benefits, the report should deliver a more developed and comprehensive assessment and comparison of the options in terms of effectiveness, efficiency and coherence better justifying that the expected benefits of the preferred package will outweigh its costs. It should also strengthen the proportionality assessment of the preferred combination of option.	*Options in the problem area of enforcement:* Benefits for consumers in terms of reduced hassle costs are included in section 6.1.5 and explained in detail in Annex 4 (section 3.1). *Options in the problem area of multimodal rights:* Benefits for consumers in terms of hassle costs savings are included in section 6.1.5 and explained in detail in Annex 4 (section 3.2). Further explanations on the functioning of Single Points of Contact were introduced in sections 5.2.2, 6.1.2 and in Annex 4 (section 3.2). Benefits in terms of reduced hassle costs savings have been also included for carriers (section 6.1.1), intermediaries (section 6.1.3) and national public authorities (section 6.1.4). Their quantification is explained in detail in Annex 4 (section 3.2). *Options in the problem area of reimbursements when tickets were booked via intermediaries:* Hassle costs and costs savings for consumers have been quantified and included in section 6.1.5 and explained in detail in Annex 4 (section 3.3). The section on the comparison of options (section 7.1) has been strengthened, in particular by adding the benefits of the policy options. All policy options result in net benefits.
(3) The report should clarify and adjust the One In, One Out cost calculations so that all the costs related to providing information to passengers are accurately taken into account in the approach.	Section 8.3 has been amended to reflect the one-off administrative costs for intermediaries for informing passengers about the reimbursement process and for carriers for updating the information disclosed to passengers on their reimbursement process. These costs have been reclassified from adjustment costs to administrative costs and thus sections 6.1.1, 6.1.3, Annex 3 and Annex 4 were also amended to reflect the changes. In addition, an explanation was added on the reason for classifying one-off costs for implementing real-time information provisions and integrating communication systems to multimodal passengers as adjustment costs rather than administrative costs.
(4) The report should provide a more detailed assessment of the impacts on competitiveness of the most affected economic actors. The competitiveness check scoring should better reflect the analysis in the main report, in particular regarding the price and international competitiveness. The analysis of capacity to innovate should go beyond the likely take up of digital solutions and expand into the data management potential.	Annex 5 now contains references to where in the main text the impacts on competitiveness of the most affected economic actors were included. The scoring has been amended in annex 5. This Annex now also expands into the data management potential due to the sharing of real-time information in the context of multimodal travel.

4. EVIDENCE, SOURCES AND QUALITY

The impact assessment is based on several sources, using both quantitative and qualitative data, collected from Member States, passenger rights associations and industry. This includes:

- contracted impact assessment support study carried out by an external, independent consultant

- Stakeholder consultation activities (see Annex 2)
- The Commission's experience in monitoring and implementing the respective passenger rights Regulations
- European Court of Auditors Special Report 15/2021: Air passenger rights during the COVID-19 pandemic: key rights not protected despite Commission efforts[188], Special Report no 30/2018: EU passenger rights are comprehensive, but passengers still need to fight for them
- Evaluations on Regulation (EC) No 1107/2006 concerning the rights of disabled persons and persons with reduced mobility when travelling by air, Regulation (EU) No 1177/2010 concerning the rights of passengers when travelling by sea and inland waterway and Regulation (EU) concerning the rights of passengers in bus and coach transport, published in 2021 (SWD(2021)417, SWD(2021)413 and SWD(2021)415)[189]
- Study on the current level of protection of air passenger rights in the EU[190]
- 2020 Eurobarometer survey on EU passenger rights, 2020[191]
- Study on passenger rights in multimodal transport, 2019[192]

[188] Special Report 15/2021: Air passenger rights during the COVID-19 pandemic: Key rights not protected despite Commission efforts.

[189] Published here: https://transport.ec.europa.eu/news-events/news/evaluation-confirms-better-protection-air-ship-and-bus-passengers-thanks-eu-law-2021-12-15_en.

[190] Study on the current level of protection of air passenger rights in the EU - Publications Office of the EU (europa.eu).

191 https://ec.europa.eu/commission/presscorner/detail/en/ip_19_6814.

[192] https://op.europa.eu/en/publication-detail/-/publication/f176da6f-d9ca-11e9-9c4e-01aa75ed71a1.

ANNEX 2: STAKEHOLDER CONSULTATION (SYNOPSIS REPORT)

This annex summarizes the outcome of the consultation activities performed in the context of the impact assessment on new rules for making the passenger rights framework resilient and future proof. It describes the range of stakeholders consulted, the main consultation activities, and provides a succinct analysis of their views and the main issues raised.

The consultation activities aimed to:

- collect evidence and stakeholders' views on identified problems, problem drivers, policy objectives, and draft policy measures and options considered in the impact assessment;
- gather information and opinions on the likely impacts of policy measures and options.

1. CONSULTATION METHODS AND STAKEHOLDERS INVOLVED

Consultation activities took place between December 2021 and January 2023. The following table summarises the types of consultation activities, their timing, and their objectives.

Table 33: Consultation activities conducted

#	Means	Objective	Timing	Participants
1	Call for Evidence	Collect stakeholders' feedback on the Commission's understanding of the problem and possible solutions.	20/12/2021 – 17/01/2022	58
2	Public Consultation	Allow the general public to provide their views on the current state of play and needs for additional policy action at European level.	14/09/2022 – 07/12/2022	173
3	Targeted questionnaire	Collect specific stakeholders' views on problems, policy objectives and policy measures as well as to gather quantitative data on the costs and benefits of the policy measures.	18/10/2022 – 09/12/2022	185
4	Targeted interviews	Explore stakeholders' views on problems, objectives and measures, as well as to collect quantitative estimates and filling gaps from desk research and the targeted online questionnaire.	14/11/2022 – 10/01/2023	40
5	Online workshops	Fill in the gaps from the OPC, the targeted online questionnaire and interviews, validate the results and to spur a dialogue between relevant stakeholders on selected topics.	13/12/2022 – 26/01/2023	93
6	Modal NEB meetings	Gather specialised input in relation to the issue of enforcement.	4 meetings between 13/10/2022 and 12/12/2022	128

Ten categories of stakeholders' groups were targeted through these activities, ensuring a representation of various interests. The table below summarises the participation of these groups in the consultation activities.

	Call for evidence	OPC	Targeted questionnaire	Targeted interviews	Online workshops	Modal NEB meetings
Stakeholder coverage						
Passengers and consumers organisations and representative organisations of passengers with disabilities (PRM)	✓	✓	✓	✓	✓	
Carriers for air and their umbrella organisations	✓	✓	✓	✓	✓	
Carriers for waterborne, bus and coach, and rail and their representative organisations	✓	✓	✓	✓	✓	
Intermediary ticket vendors, online travel agencies and travel package organisers	✓	✓	✓	✓	✓	

Stations, terminal or (air)port infrastructure and terminal manager		✓	✓	✓	✓	
National Enforcement Bodies (NEBs) & other public authorities at national and local level	✓	✓	✓	✓	✓	✓
Alternative Dispute Resolution bodies (ADRs)		✓	✓	✓		
Insurance companies & insolvency protection funds		✓	✓	✓		
Credit card companies		✓	✓	✓	✓	
Claim agencies		✓	✓	✓	✓	
Geographical coverage						
EU	16 MS: AT, BE, BG, CZ, DE, DK, ES, FI, FR, HU, IE, IT, LT, NL, PT	25 MS: AT, BE, BG, CY, CZ, DE, DK, EE, EL, ES, FI, FR, HU, IT, LT, LU, LV, MT, NL, PL, PT, RO, SE, SI, SK	All 27 MS	10 MS : AT, CZ, DE, DK, ES, FR, IE, IT, NL, SE	16 MS: AT, BE, CZ, DE, DK, ES, FI, FR, HU, IE, IT, LU, NL, PT, SE, SK	AT, BE, BG, CY, CZ, DE, DK, EE, ES, EL, FI, FR, HR, HU, IE, IT, LT, LU, LV, MT, NL, PL, PT, RO, SI, SK, SE
Non-EU	US, UK, Canada	Serbia, UK, US, Trininad and Tobago,	Canada, Iceland, Switzerland, UK, US	UK, US, IS	Norway, UK, US	CH, IS, NO, UK

1.1. Call for Evidence

Of the **58 stakeholders** who answered to the call for evidence, 13 provided in depth position papers, while 45 provided their feedback directly on the Commission's website. Consumer organisations, EU citizens, public authorities, NGOs and environmental organisations responded to the call for evidence. Most of the feedback was submitted by companies and business associations (24 out of 58), including operators from all transport modes and intermediary ticket vendors, travel agencies, package travel organisers and their representative organisations. Respondents could not find common grounds on the issues related to **reimbursements when intermediaries are involved** (Topic C)**,** and **self-cancellation in major crises** (Topic D). On the other hand, some respondents agreed on the need for **a clearer regulatory framework on multimodal travel** (Topic B) and on the need to **harmonise passenger rights across modes** (Topic A). Nevertheless, there was a general consensus on **the need for an update of the passenger rights legislative framework**.

1.2. Open Public Consultation

The open public consultation (also referred as "OPC") sought to capture stakeholders' views on the magnitude of the problems and possible solutions. **173 stakeholders**, **covering 11 stakeholder groups and 31 countries**, responded to the OPC.

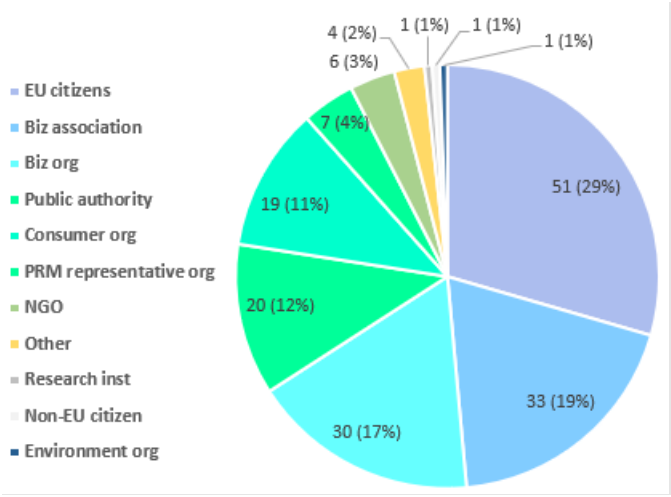


Figure 8: Participants in the Open Public Consultation

1.3. Targeted Online Questionnaire

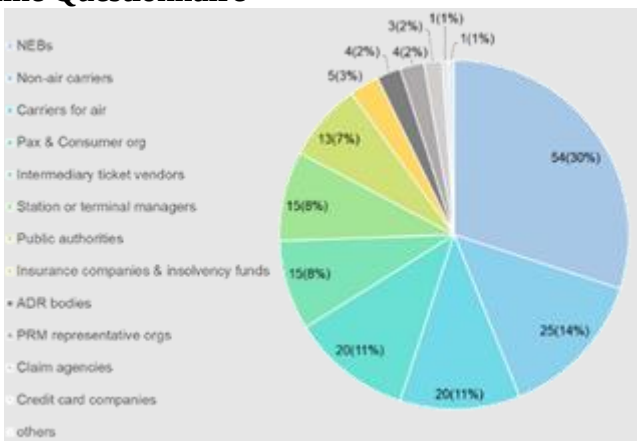


Figure 9: Participants in the Targeted Online Questionnaire

1.4.Targeted interviews

Overall, 40 stakeholders, from 10 EU Member States[168] and 3 non-EU countries[169], as well as 15 pan-European organisations and 1 international organisation, participated in the targeted interviews. The selection of the stakeholders aimed to ensure a balance in terms of geographical coverage and in terms of organisational characteristics - i.e. big and small carriers and terminals, low-cost and network carriers, international and regional operators), which led also to the involvement of extra-EU actors (i.e. major credit card companies active in Europe) and one international organisation[170]. Additionally, two stakeholders based in the United Kingdom and in Iceland were included due to their relevance to the study as their services are widely used by European passengers (e.g. credit card and travel planning services)). These two stakeholders have provided precious insights, clarifying the role of the intermediaries if the proposed policy measures would apply, as well as detailing potential challenges deriving from their implementation. To be noted that all the extra-EU actors also have businesses in the EU.

1.5. Online workshops

During the consultation process three online workshops were organised: the first two workshops were structured as a plenary session to present the preliminary results of the work, followed by a break-out rooms session to spur a dialogue amongst stakeholders on the proposed policy measures. The third workshop was structured as a plenary session, providing for opportunity for interaction amongst participants in the form of a poll and Q&A sessions. Overall, 51 stakeholders, covering 8 stakeholder groups[171], 16 Member States[172] and 3 non-EU countries[173], as well as 12 pan-European organisations and 3 international organisations[174]

attended the three online workshops. The same considerations regarding representativeness as for the targeted interviews presented above apply.

Table 34: Workshop participation

#	Topic	Date	Organisations
1	Reimbursement of air passengers in case of booking with an intermediary ticket vendor.	13/12/2022	24
2	Insufficient protection for passengers making multi-modal journeys.	15/12/2022	22
3	Revised and preliminary policy measures suggested by stakeholders during the consultation process and preliminary policy options.	26/01/2023	45

1.6. Meetings with National Enforcement Bodies

As part of the consultation strategy, several modal expert group meetings of NEB representatives were held which allowed to gather **specialised input in relation to the issues of enforcement and multimodality**. The meetings were organised through both an initial plenary session to illustrate the findings and consequent breakout rooms to discuss with NEBs and gather their feedback on the proposed measures. The outcome of these meetings was information on the NEBs' views on the proposed policy measures, which have been analysed together with all the data collected though the other consultation activities.
The NEBs meetings have been organised per mode of transport, as illustrated in the table below.

Table 35: Meetings with National Enforcement Bodies

#	Topic	Date	# of NEB participants	Countries
1	Informative session on the project	13/10/2022	27	BE, DE, DK, ES, FR, IT, UK
2	Meeting of NEBs under Regulation (EC) No 1371/2007 concerning the rights of passengers travelling by train	28/10/2022	21	AT, BE, CZ, DK, DE, IE, EL, ES, HR, IT, LV, LU, HU, NL, PL, PT, SI, SK, FI, SE, CH
3	Meeting of NEBs under Regulation (EU) No 1177/2010 concerning the rights of passengers travelling by sea	24/11/2022	27	AT, BE, BG, DK, DE, EE, IE, EL, FR, HR, IT, CY, LV, LT, LU, MT, NL, PO, PT, RO, SI, FI, SE, NO
4	Meeting of NEBs on the application of Regulations (EC) No 261/2004 on air passenger rights and (EC) No 1107/2006 on rights of persons with disabilities or reduced mobility when travelling by air	06/12/2022	28	AT, BE, BG, CZ, DK, DE, EE, IE, EL, ES, FR, HR, IT, CY, LV, LU, HU, MT, NL, PL, PT, SI, SK, FI, SE, IS, NO, CH
5	Meeting of NEBs under Regulation (EU) No 181/2011 concerning the rights of passengers travelling by bus and coach	12/12/2022	21	AT, BE, CZ, DK, DE, EE, IE, EL, ES, FR, HR, IT, CY, LT, LU, NL, PT, RO, SK, FI, SE

2. Analysis of the results of the stakeholder consultation

An overview of the main results of the stakeholder consultation is provided in the next sections, highlighting the agreements and disagreements amongst respondents. As the problems and objectives have developed during the IA process, the wording presented below may not mirror completely the problems presented in the main body of the SWD.
Unless specified otherwise, figures and percentages refer to replies to the targeted questionnaire.

2.1. Problem 1: Insufficient enforcement of passenger rights in all modes

2.1.1. Problem aspects and policy objective

- **"Carriers, terminal operators, and NEBs apply EU passenger rights legislation in different ways":** 71% (105 out of 149) of respondents to the targeted questionnaire strongly or somewhat agree that this is an important problem, while 10% (15 out of 149) strongly or somewhat disagree.
- "**The enforcement of EU passenger rights legislation by NEBs is neither harmonised nor consistent":** 67% (99 out of 148) of respondents agree that the problem is important, while 16% (23 out of 148) disagree. Similarly, 70% of respondents to the OPC (117 out of 169) agree with the statement that **the enforcement of passenger rights varies greatly across the EU**.

- The detail by stakeholders' groups is presented in the graphs below.

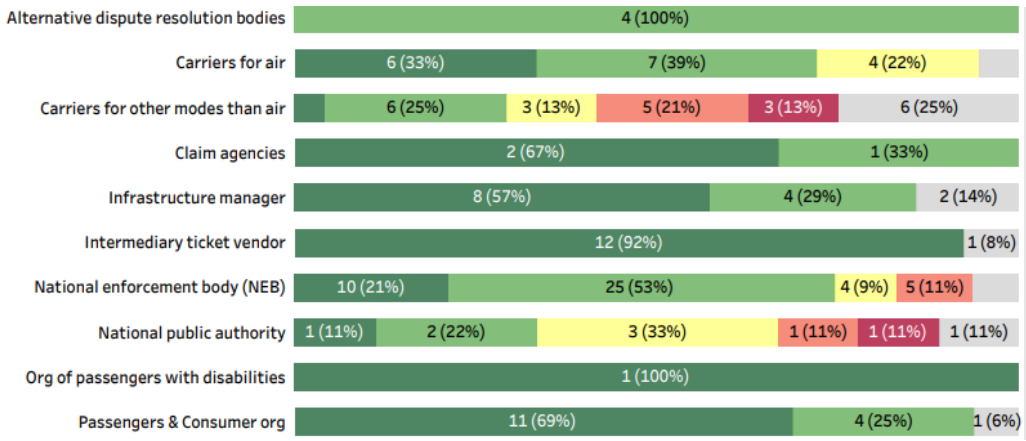


Figure 3 - Level of agreement with problem aspect 1: carriers, terminal operators, and NEBs apply EU passenger rights legislation in different ways (Targeted stakeholder questionnaire)

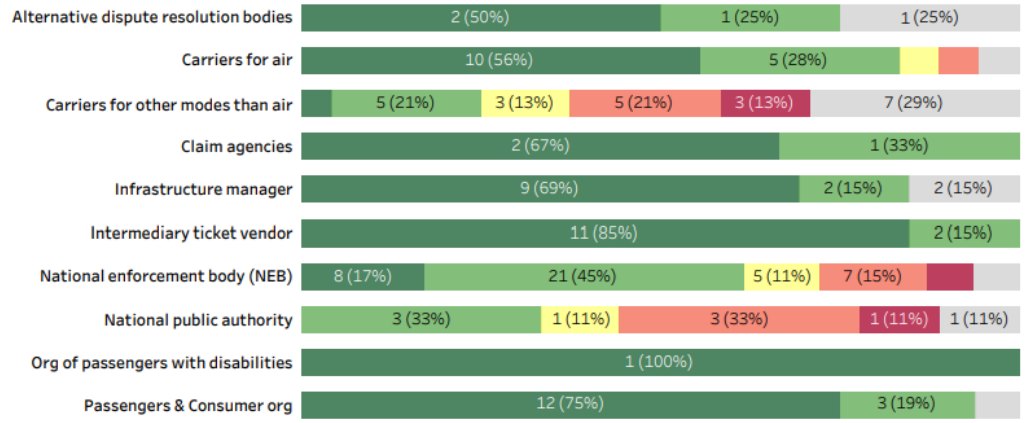


Figure 4 - Level of agreement with problem aspect 2: the enforcement of EU passenger rights legislation by NEBs is neither harmonised nor consistent (Targeted stakeholder questionnaire)

93% (140 out of 151) of respondents to the targeted questionnaire expressed their agreement with the **objective of ensuring that passengers fully enjoy their rights.**

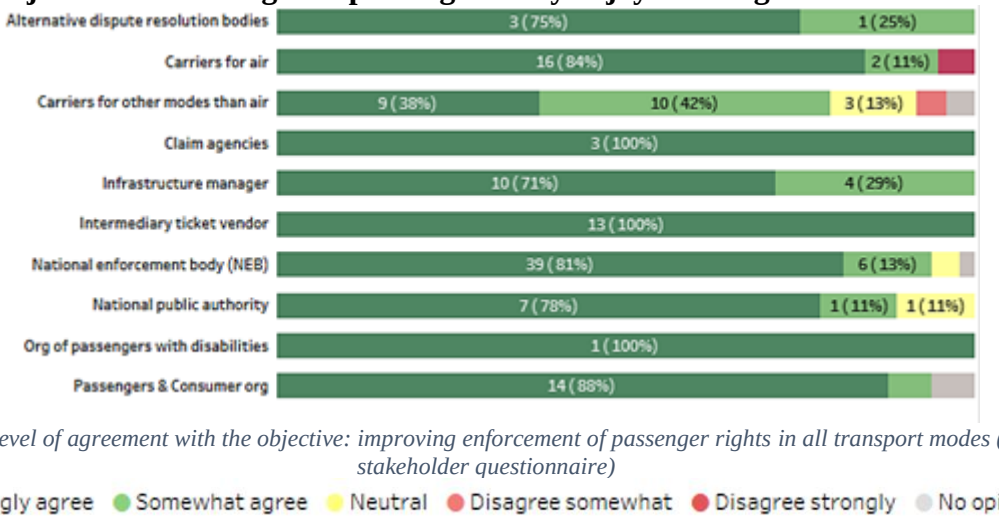


Figure 5 - Level of agreement with the objective: improving enforcement of passenger rights in all transport modes (Targeted stakeholder questionnaire)

63% (106 out of 166) of respondents to the OPC considered the objective of **improving enforcement of passenger rights in all transport modes** as of high/medium-high relevance.

2.1.2. Policy Measures

"Obliging carriers, terminal managers, ticket vendors and tour operators to provide NEBs with relevant documents and information at the NEBs request":

- Half of the 16 passenger organisations replying to the targeted questionnaire declared that this legislative measure would bring a strong or very strong contribution.
- Carriers, ticket vendors and infrastructure managers were more sceptical. Indeed, 14 out of 17 airlines and 7 out of 20 carriers for rail, waterborne, bus and coach think that this measure would bring only a slight contribution or no contribution at all. 9 out of 13 ticket vendors, and 9 out of 14 infrastructure managers, believe that it would have a moderate contribution.
- During the NEB meeting on Air and Air PRM, it appeared that some Member States already have regulation in place to help NEBs gather information. However, other NEBs explained that the measure would be useful since the possibility for NEBs to request information is currently restricted to carriers, leaving out terminal managers and ticket vendors. Moreover, during the meeting on bus and coach, NEBs claimed that having a legal obligation at EU level could foster the sharing of information in those cases where national legislation is absent or unenforced. The results are confirmed in the targeted online questionnaire, where 29 out of 44 NEBs reported that the policy measure would bring a very strong or strong contribution.

"Obliging carriers to establish a quality management system, monitor and publish the related performance":

- Half of the 16 consumer organisations replying to the targeted questionnaire declared that the establishment of a quality management system would (strongly) contribute to solving the problem. Half of them as well declared that gathering and publishing the data would have a slight contribution. In the OPC, 17 out of 19 consumer organisations, 5 out of 7 PRM organisations and 34 out of 50 EU citizens assigned high or medium-high relevance to the measure ensuring that carriers and terminal operators publish data on their compliance with EU passenger rights.
- Air carriers and their umbrella organisations believe this policy measure would only have a slight or no contribution (15 out of 17 air carriers for the measure on establishing a quality management system, and 16 out of them for monitoring and publishing the data). 12 out of 20 carriers for waterborne, rail and bus and coach had no opinion regarding the idea of a quality management system, and 4 of them reported it would have a slight or no contribution. Out of those same 20 carriers, 10 had no opinion on gathering and publishing the data and 6 reported it would have a slight or no contribution. One interviewed waterborne carrier expressed concerns regarding the risk of customers misunderstanding and misinterpreting the published data.

"Introduction of a service quality standard for terminal operators":

- 7 out of 16 passenger organisations stated in the targeted questionnaire that the measure would only be slightly effective. One interviewed consumer organisation supporting the measure suggested that this should apply to intermediaries too, and pointed out that these requirements may take inspiration from the Rail Passenger Rights Regulation.
- 8 out of 14 terminal operators claim that this measure would have a (very) strong contribution although, in a written contribution, one terminal operator noted that it might require additional investments in staffing and IT systems for its implementation.

"**Implementation of a standardised EU-wide form for complaints"** (proposed both as voluntary and legislative measure):

- 9 out of 16 responding passenger organisations supported it as a legislative measure and 8 out of 16 as a soft policy measure. The only PRM organisation contributing expressed that an EU-wide form would bring a very strong contribution.
- 13 out of 19 air carriers believe the soft policy measure would have a strong or very strong contribution. The support was lower for a legislative measure.

- Carriers for rail, waterborne and bus and coach were more sceptical with respect to both the soft policy measure (10 out of 21 expressed no opinion, 5 claimed the contribution would be slight or null, another 5 claimed it would be moderate) and legislative measure (10 out of 20 expressed no opinion, 9 claimed the contribution would be slight or null).
- 25 out of 44 NEBs expressed a favourable view towards this policy measure by claiming it would have a strong or very strong contribution.

"**Improving the enforcement with enhanced cooperation between ADRs and NEBs":**

- 3 out of 4 ADRs agreed that it would strongly contribute to solving the problem. They suggested the inclusion of an obligation for transport operators to inform passengers about the relevant ADRs. One ADR stated that the role of NEBs in enforcing passenger rights is often overestimated, as, in many Member States, NEBs do not deal with individual passengers' complaints, while ADRs have more experience on the matter.
- 12 out of 19 airlines claim that the measure would bring no contribution, while 8 out of 13 ticket vendors and 8 out of 16 passenger organisations believe the measure would bring a moderate contribution.
- 9 out of 14 infrastructure managers replying to the targeted consultation consider the measure to have a very strong or strong contribution and 22 out of 46 NEBs claimed that it would have a strong or very strong contribution.

Two policy measures emerged during the targeted stakeholder consultation.

- The policy measure requiring **NEBs to make a risk assessment and implement their monitoring activities according to this risk assessment** was inspired by the ECA's recommendation "to give the Commission mandate to perform quality control of the enforcement practices of NEBs". Stakeholders were divided regarding the ECA's recommendation: 41 out of 146 of the stakeholders (strongly) supported it (including 7 out of 8 consumer and passenger organisations that expressed an opinion) while 39 stakeholders (almost all carriers, and 34% of the NEBs) (strongly) opposed it. Accordingly, it was decided to assess the impacts of a slightly different policy measure which would **require NEBs to make a risk assessment and allow the Commission to assess such risk assessments and whether the monitoring activities implemented by the NEBs are appropriate to the risks they identified**.
- Both the European Passenger Federation and BEUC, the two EU-level consumer and passenger representative organisations highlighted the need to improve the awareness of passengers about their rights, by promoting accurate information sharing from transport operators during booking, when a disruption occurs, and on the complaint handling mechanisms. Their view was supported by the latest Eurobarometer report on passenger rights, showing very low citizens' awareness of their rights. Consequently, it was decided to add a policy measure **obliging operators to require carriers and terminal operators to better inform passengers about their rights in particular when booking a journey or in case of a transport disruption with the view to raise their awareness about passenger rights**.

2.2. Problem 2: Insufficient protection for passengers making multimodal journeys

2.2.1. Problem aspects and policy objective

- **"Passengers are not protected by existing rights when switching between transport modes**": 89 out of 145 respondents to the targeted questionnaire strongly or somewhat agree that the problem is important, while 26 respondents fully or somewhat disagree. The latter are mainly carriers (for all modes) and their umbrella organisations, who during the interviews and the dedicated workshop argued that it is too early to regulate the sector, as a legislative framework might disrupt an underdeveloped but emerging industry. In the OPC, 70% (117 out of 166) of respondents agreed somewhat/fully that

the problem is important. In reply to the call for evidence, one passenger organisation claimed that the certainty of reaching the destination must be always guaranteed, even in the case of serious delays and independently from the travel mode(s) used.

- **"Persons with disabilities or reduced mobility (PRM) are not provided with assistance when switching between transport modes**": 50% (69 out of 138) of respondents agree that this is an important problem, while 16% (22 out of 138) strongly or somewhat disagree, 14% (19 out of 138) are neutral and 20% (28 out of 138) expressed no opinion. In the OPC, 57% (95 out of 167) of respondents consider this to be an important problem.
- The detail by stakeholders' groups is presented in the graphs below.

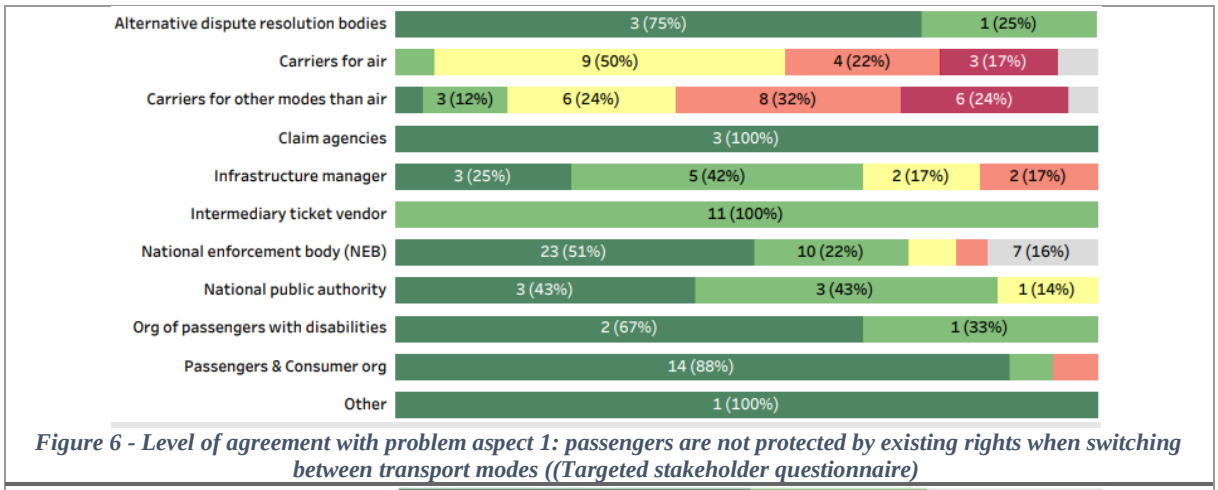


Figure 6 - Level of agreement with problem aspect 1: passengers are not protected by existing rights when switching between transport modes ((Targeted stakeholder questionnaire)

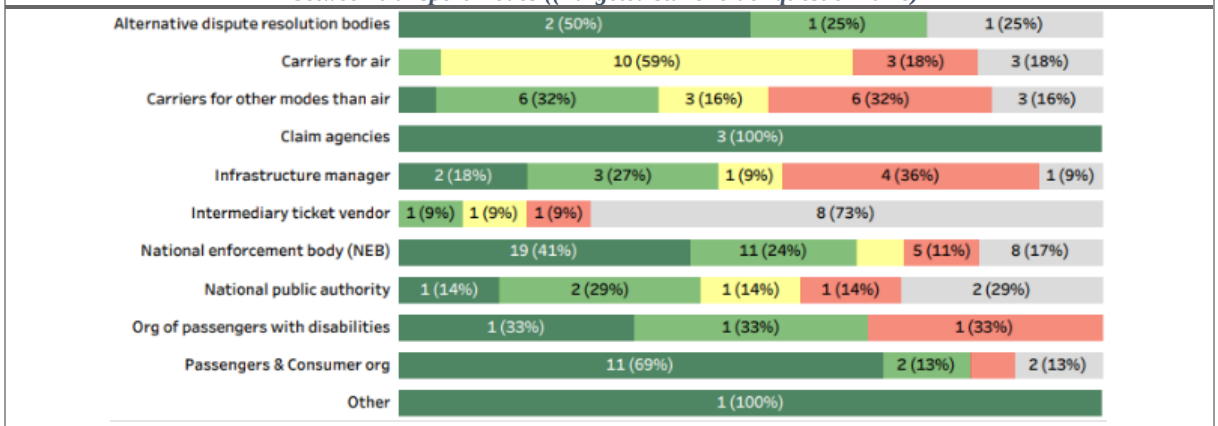


Figure 7 - Level of agreement with problem aspect 2: persons with disabilities or reduced mobility are not provided with assistance when switching between transport modes (Targeted stakeholder questionnaire)

71% (101 out of 143) of respondents to the targeted questionnaire agree with the objective of **proposing an adequate framework of rules for the protection of passengers who experience travel disruptions when changing from one transport mode to another**, while 11% (16 out of 143) disagree with this objective.

In the OPC, 63% (104 out of 165) of respondents assess the objective's relevance as high or medium-high, while 16% (26 out of 165) believe it is of low/medium-low relevance.

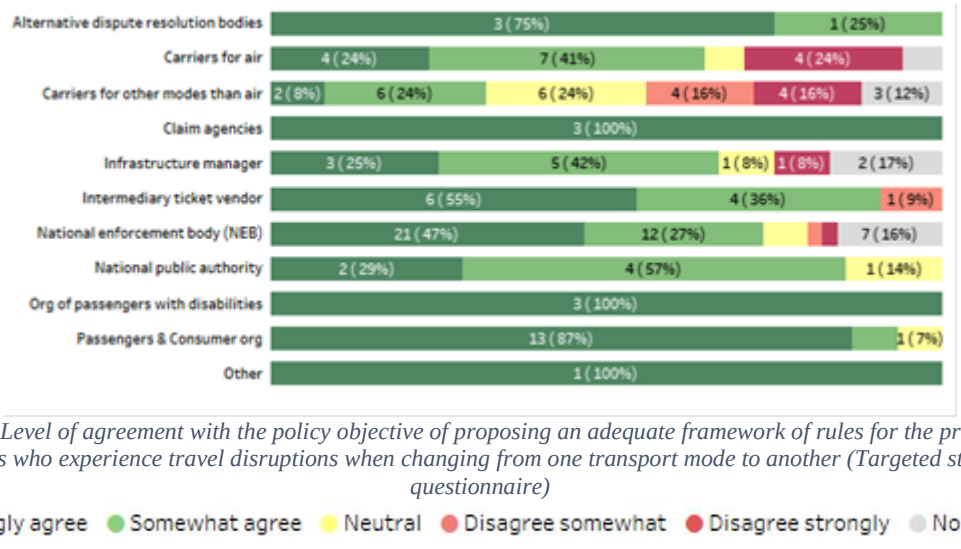


Figure 8 - Level of agreement with the policy objective of proposing an adequate framework of rules for the protection of passengers who experience travel disruptions when changing from one transport mode to another (Targeted stakeholder questionnaire)

2.2.2. Policy Measures

"**Encouraging carriers and ticket vendors to provide additional information to multimodal passengers"** (measure proposed both as voluntary and obligatory):

- 11 out of 16 consumer organisations replying to the targeted questionnaire expressed support for the legislative measure, claiming it would have a strong or very strong contribution. One consumer organisation argued, in a written contribution, that passenger protection for ticket category B should not be conditioned to the pre-contractual lack of information [under the current policy measures for category B, passengers are protected except if informed otherwise] as it would mean that passengers would in practice remain unprotected; and that in case of travel disruptions, intermediaries should be held liable to inform consumers in real-time, to inform them on the re-routing options, as well as on their rights and how to exercise them.
- Airlines and their representative organisations stated, during the workshop, that they could not be legally bound to provide information that they often do not have (connecting times and connecting journeys). In the OPC, they pointed out that providing real-time information on journey disruption is unfeasible if passengers booked via a ticket vendor. Umbrella organisations explained that this measure would increase operational costs mainly due to the necessary updates of the IT systems supporting booking arrangements and to additional resources needed to identify the relevant information. In the targeted consultation, one rail carrier reported that the current technical limitations make real-time information impossible to implement.
- On the other hand, ticket vendors were generally supportive of the introduction of a soft policy measure **encouraging carriers and ticket vendors to provide passengers with information such as time schedules on every part of their multimodal trip**. They were less supportive of the provision of **real-time information** and claimed that such a solution would **only be feasible if carriers were obliged to share information with intermediaries**. One intermediary (extra-EU actor) argued that it would not be feasible for ticket vendors to grant "full passenger rights" for ticket category B for the following reasons: (i) disruptions are outside of the intermediary's control; (ii) operators would have to cooperate with ticket vendors to make this work, but do not appear to be willing to do so if they did not make the travel connection themselves; (iii) when tickets are bought, intermediaries pass the money on to operators, hence they wouldn't have the financial capacity to reimburse or compensate.
- 6 out of 11 intermediaries replying to the targeted questionnaire claimed the legislative measure would only have a slight contribution; 4 of them think it would be moderate.

- Infrastructure and terminal managers were more supportive of a legislative solution than a soft one. During the workshop, an airport representative, in line with the umbrella organisations for air carriers, stressed the importance of pre-notifying requests for PRM assistance for the proper functioning of other proposed measures. One organisation of airports and one organisation of rail stations stressed the need for adequate communication channels to support information provision.

"Introducing a multimodal complaint handling system" (measure proposed both as voluntary and obligatory):

- Half of the 16 passenger organisations replying to the targeted questionnaire claimed that the soft policy measure would bring no contribution or only a slight contribution, whereas the majority (12 out of 16) believed that the legislative measure would have a strong contribution.
- In the same survey, airlines and their organisations expressed their concerns: 9 out of 13 airlines stated that the legislative measure would bring no contribution (7 out of 17 for the soft measure). In the dedicated workshop, they argued that this measure can only apply if there is a contract between carriers and intermediaries; if not, carriers cannot be held accountable for travel disruptions happening in other legs of the journey.
- Carriers for waterborne, rail, bus and coach were more divided: 14 out of 25 replying to the survey believe that both the soft and legislative measure would have a slight or moderate contribution. In an interview, one umbrella organisation for these modes stressed that multimodal complaints are very rare, hence these measures would imply a cost that is not outweighed by a clear benefit.
- 10 out of 11 ticket vendors claimed that the voluntary and obligatory measures would have a slight or moderate contribution (6 out of 11 for the soft measure). In the workshop, ticket vendors argued that it would increase the cost of tickets, making multimodal journeys an economically unsustainable alternative.

"Introducing a right for passengers to be reimbursed or re-routed in case of a travel disruption" (measure proposed both as voluntary and obligatory):

- 13 out of the 16 passenger organisations replying to the targeted survey stated that the legislative measure would bring a very strong or strong contribution, while only 5 of them think the same of the soft policy measure. One consumer organisation suggested that, in case passenger opt for re-routing, intermediaries should be liable to re-route them at no extra cost. In case they fail to do so, any additional cost sustained by the passenger as a result (e.g., new tickets, taxi, etc.) should be refundable.
- 11 out of 25 carriers for rail, waterborne, bus and coach, believe that the soft measure would bring no contribution or only a slight one, while 16 of them consider that the legislative measure would have a moderate or slight contribution. During the relevant workshop, one carrier for rail and an umbrella organisation for rail operators pointed out that the proposed measure does not clearly designate the party responsible for the reimbursement and re-routing in case of a missed connection, and that it would increase the ticket prices, making multimodal journeys less attractive. This view was supported by one rail carrier in the call for evidence and by one consumer organisation in the targeted online questionnaire.
- Conversely, 9 out of the 11 intermediaries replying to the targeted survey agreed that the proposed measure would have a strong contribution, if implemented as a legislative measure, and provided that there are B2B agreements with respective liabilities.

"Introduction of passenger rights (i.e. right to care, reimbursement, rerouting, alternative transport contract) for ticket category B, which will apply in case of disruptions during multimodal journeys comprised of separate tickets integrated by intermediaries, except where the intermediary can prove that the passengers were properly informed by the

intermediary, before purchase, that the integrated separate tickets do not entitle them to the full set of passenger rights":

- Passenger and PRM organisations reported mixed views: 1 out of 3 PRM organisations and 5 out of 16 consumer organisations consider that the measure would bring a (very) strong contribution, while 1 out of 3 PRM organisations and 6 out of 16 consumer organisations believe it would bring no contribution. During the relevant workshop, one passenger organisation stressed the need to better clarify the role of intermediaries in case of journey disruptions.
- 11 out of 12 airlines responding to the targeted survey thought that this measure would not bring any contribution. Yet, the airlines attending the dedicated workshop confirmed that intermediaries should be responsible for the protection of passengers in case of separate tickets integrated by ticket selling entities. 8 out of 25 carriers for rail, waterborne, bus and coach claimed that the measure would have a moderate contribution, while 9 of them believe the measure would have only a slight or no contribution.
- In the workshop, ticket vendors argued that providing a full set of passenger rights would not be financially viable as intermediaries do not have access to ticket money to provide protection to passengers. At the same time, in the targeted online questionnaire, with 10 out of 11 ticket vendors agreeing with the relevance of this policy measure, which might be due to the suggested possibility for them to be exempted where they inform passengers properly on the absence of the full set of passenger rights. In the OPC and in interviews, intermediary ticket vendor representatives argued that ticket vendors should not be held responsible for journey disruptions, as they are not involved in the operations.

"**Introduction of a single point of contact (SPC) for PRMs**":

- 7 out of the 15 consumer organisations and 2 out of the 4 PRM organisations replying to the targeted questionnaire claimed the measure would have a strong or very strong contribution. During the dedicated workshop, one PRM representative underlined that, as PRMs require different types of assistance, there would be many issues to consider in defining the role/scope of the SPC and expressed concerns if the measure was soft law. One interviewed PRM organisation remarked that, while the SPC would be of considerable help to PRMs to obtain assistance and relevant information, it will only be effective if it is able to withstand the high demand for assistance.
- 10 out of 17 airlines stated that the measure would bring a (very) strong contribution. During the workshop, airlines and their umbrella organisation expressed their support for it, while stressing the importance of establishing clear channels of communication and defining the scope of the services to be provided. One interviewed organisation of airlines argued that the SPC should be the terminal operator, as in the case of air transport. 15 out of 25 carriers for rail, waterborne, bus and coach responding to the targeted survey stated that it would only bring a moderate or slight contribution. One interviewed umbrella organisation for rail operators pointed out that the cost of establishing an SPC would be significant on smaller operators. One organisation for rail, waterborne, bus and coach stated that carriers should be free to organise this service in the most convenient way for them. And an interviewed bus carrier reported that the SPC would also be useful in mapping the demand for PRM assistance or the (un)suitable infrastructure, to encourage local communities to improve the situation.
- One intermediary (extra-EU actor) supported the measure and stated that intermediaries could direct passengers to those SPCs when they book their tickets, although it should be clarified that intermediaries cannot have control over the SPCs' process or operation.
- 6 out of the 11 infrastructure and terminal managers replying to the targeted survey believe that the measure would (very) strongly contribute towards the policy objective.

Overall, consumer organisations and PRM representatives expressed a general preference for the implementation of legislative policy measures addressing the right to rerouting, care and information in case of disruptions, as opposed to soft measures and market-based solutions (i.e. insurance). In the public consultation, some PRM representatives suggested the introduction of a compensation to PRMs in case of lack of assistance during multi-modal journeys.

The following views have been reported by **NEBs and national, regional and local public authorities** in relation to the proposed policy measures for problem area 2:

- In the public consultation, 4 public authorities stressed the need to provide additional information to passengers regarding ticket categories and alternative connections**.**
- In the targeted questionnaire and the interviews, NEBs pointed out that the measures providing for the introduction of a voluntary agreement between NEBs, or any other designated body or authority, enabling passengers to direct complaints to any NEB in a Member State, would entail significant bureaucratic costs, especially for smaller regional/local NEBs, to run the communication channels and to provide for internal coordination. Conversely, another interviewed NEB highlighted the usefulness of establishing a framework of communication between NEBs for cross border cases. Moreover, some NEBs attending the meeting on bus and coach pointed out that the measure would be beneficial, but it could only be effective if a multimodal passenger rights framework is to be established, as NEBs can only act within the existing regulation.

Problem 3: Reimbursement rules are unclear when flights were booked via an intermediary

2.3.1 Problem aspects and policy objective

- **"Passengers do not always enjoy the right to reimbursement within seven days of a flight cancellation when booking via an intermediary ticket vendor due to insufficient awareness from the passenger on the respective roles and responsibilities of such vendors and carriers":** 77% of respondents (72 out of 93) to the targeted survey strongly or somewhat agree that this problem is important, while 11% (10 out of 93) fully or somewhat disagree. Similarly, in the OPC, 70% (110 out of 157) of respondents agree somewhat/fully that the problem is important.
- **"Carriers cannot always meet the obligation to reimburse passengers within seven days following the cancellation of a flight booked via an intermediary ticket vendor":** 89% of respondents (83 out of 93) to the targeted questionnaire strongly or somewhat agree this problem is important. In the OPC, 64% (101 out of 157) of respondents consider it as important.
- **"Intermediary ticket vendors sometimes have no statutory rights or obligations with respect to carriers and passengers in cases involving reimbursement"**: 75% (70 out of 93) of respondents to the targeted survey strongly or somewhat agree that the problem is important, while 15% (14 out of 93) had no opinion. However, in the OPC, 45% (54 out of 156) of respondents fully/somewhat found it important, while 32% (50 out of 156) fully/somewhat disagreed, and 18% (28 out of 156) do not have an opinion and 5% are neutral. On the latter two problem aspects, interviewed tickets vendors claimed that the main obstacle to reimbursement is the absence of obligation for carriers to provide refunds to the intermediaries in a reasonable timeframe. On the other hand, airlines argued, in interviews and in the workshop, that intermediaries should be obliged to either share passenger data (contact details) with the operating airline or be liable for eventual reimbursements.

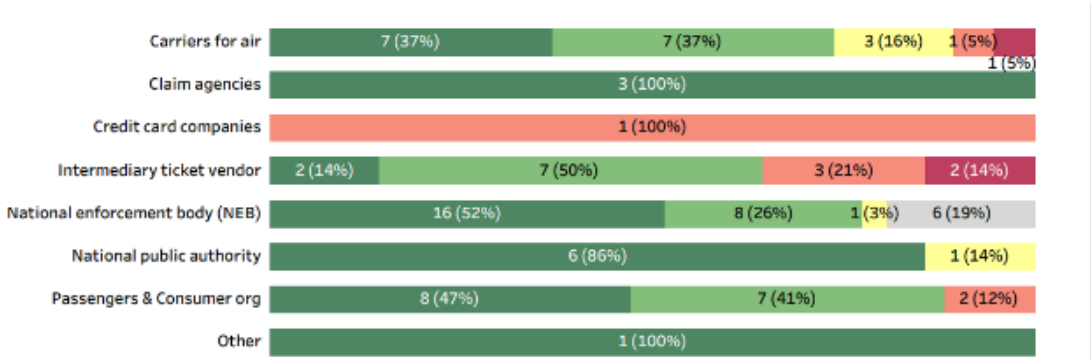


Figure 9 - Level of agreement with problem aspect 1: passengers do not always enjoy the right to reimbursement within seven days of a flight cancellation when booking via an intermediary ticket vendor (Targeted Stakeholder Questionnaire)

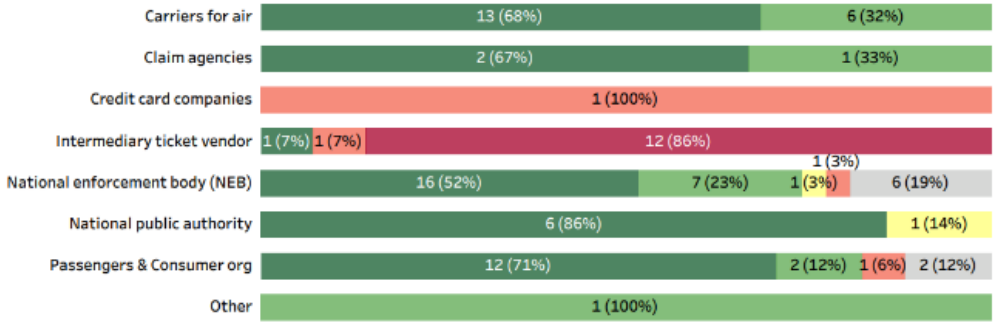


Figure 10 - Level of agreement with problem aspect 2: carriers cannot always meet the obligation to reimburse passengers within seven days following the cancellation of a flight booked via an intermediary (Targeted Stakeholder Questionnaire)

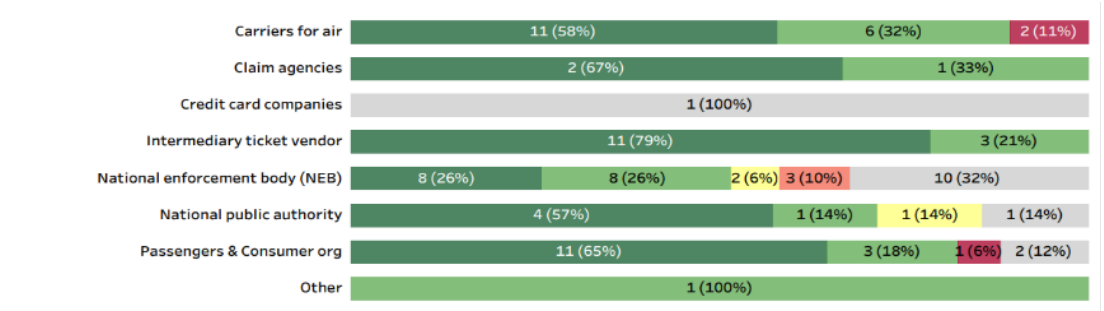


Figure 11 - Level of agreement with problem aspect 3: intermediary ticket vendors sometimes have no statutory rights or obligations with respect to carriers and passengers in cases involving reimbursement (Targeted Stakeholder Questionnaire)

There was strong support from most stakeholders for the policy objective of **ensuring the swift reimbursement of air passengers booking via an intermediary**, with 72% (67 out of 93) of respondents to the targeted online questionnaire agreeing with it, and 17% (16 out of 93) disagreeing. Similarly, 67% (106 out of 158) of respondents to the OPC consider the objective relevant, whereas 11% (18 out of 158) consider it to be of medium relevance.

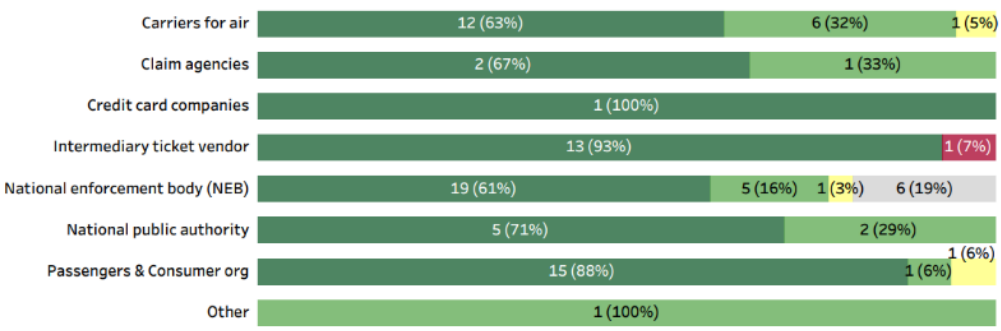


Figure 16 - Level of agreement with the policy objective: policy objective of ensuring the swift reimbursement of air passengers booking via an intermediary (Targeted Stakeholder Questionnaire)

Overall, a consensus was reached across stakeholder groups during the workshop on the need to clearly define the liability and responsibilities regarding the provision of information to passengers and the processing of refunds. This view was stressed by passenger organisations in the call for evidence and by business organisations and associations through the OPC.

2.3.2. Policy Measures

3 options to ensure the swift reimbursement of air passengers booking via an intermediary were identified and assessed.

Option A: **passengers having intermediaries as the first point of contact, which receive the payments from the airlines first, and with the possibility for passengers of going to the airline in case they do not receive their reimbursement within 7 days.**

- One passenger organisation attending the workshop claimed that refunds should be handled by the vendor, using the same payment channel applied by the passenger during the purchase of the ticket and providing for the full amount of the ticket. Another passenger organisation expressed support for option A if paired with a mutual enforceable right of redress, refund money following the original money flow and a 14 days deadline.
- Airlines and their representative organisations claimed (in the call for evidence, the OPC, interviews and the workshop) that this option would only be effective if **intermediaries were obliged to provide airlines with relevant passenger data**. One air carrier explained in the targeted questionnaire that, since some ticket vendors operate without a contract with the carrier, the carrier does not have sufficient information to process reimbursements.
- On the other hand, ticket vendors and travel agencies noted that this option does not provide additional clarity nor certainty on the party responsible for the reimbursement.
- 13 out of 17 passenger organisations claimed that **allowing the passenger to claim the reimbursement from the carrier in case reimbursement is not received from the ticket vendor within 7 days** would have a strong or very strong contribution towards the solution of the problem. However, ticket vendors (9 out of 13) and airlines and their representative organisations (17 out of 20) expressed their disagreement with the measure.
- Similarly, 11 out of 17 consumer organisations stated that **ensuring that air carriers implement an accessible procedure to allow passengers to easily identify themselves and provide payment details to the airline** would bring a very strong or strong contribution. Ticket vendors (9 out of 13) and airlines (11 out of 19), on the other hand, claimed that the policy measure would bring no contribution at all. In a written follow-up to the workshop, an umbrella organisation of ticket vendors emphasised that the right to seek a refund from the intermediary should only be applicable if the intermediary had received the refund from the airline but had not refunded the customer. On the other hand, the right to redress from the intermediary does not apply if the airline did not refund the intermediary within 7 days, and the customer received the refund from the airline. Additionally, as a further feedback, an umbrella organisation of intermediary ticket vendors expressed their support for option A, only if the following changes apply: (i) a mutual enforceable right to redress; (ii) the money flow of refund follows the same purchase flow of tickets; (iii) a deadline of 14 days for tickets booked through an intermediary ticket vendor while the deadline for a carrier to refund to the intermediary ticket vendor remains at 7 days; (iv) if the airline does not fulfil its refund obligation within the deadline, the ticket intermediary decides whether to pre-finance the refund or refers the customer to the airline for a refund, providing passenger contact

details. During the workshop on policy measures and options, intermediary ticket vendors stressed the importance of ensuring that the right to redress is mutual and easily enforceable between airlines and intermediaries. There was also a consensus between the different stakeholder groups that the introduction of the reimbursement process under option A is expected to increase costs for the activities related to fostering airline - intermediary ticket vendor communications, providing additional information to consumers and implementing accessible procedures to allow passengers to easily identify themselves and provide their payment details to the airlines.

A European Passengers' association stated in a position paper of 22 April 2023 that "the most logical solution would be that passengers first address the party they bought their ticket from".

Option B: **giving intermediaries the ultimate responsibility for reimbursements**

- 7 out of 17 passenger organisations claimed that the measure **ensuring that passengers can only request reimbursement from the ticket vendor, which then immediately requests the reimbursement from the carrier, and the intermediary reimburses the passenger within 7 days following the latter's reimbursement request, and receives the reimbursement from the carrier within 7 days following its reimbursement request to the carrier** would bring no contribution at all.
- On the other hand, 16 out of 19 of airlines and their representative organisations expressed that the measure would bring a very strong or strong contribution. Similarly, 9 out of 13 intermediary ticket vendors and the only credit card company who contributed considered that the measure would bring a very strong or strong contribution. During the dedicated workshop, airlines and their representative organisations remarked that intermediaries should be the single point of contact for consumers and ultimately be liable for the reimbursement of passengers within the set timeframe, as they have the information regarding the price charged (including mark-ups) and relevant passenger data. An umbrella organisation of airlines argued that, because some intermediaries combine tickets from various airlines into a single reservation, if any other option than option B was chosen, it would make the refunding process very cumbersome for these passengers. On the other hand, during the workshop, intermediaries and credit card companies claimed that this proposal could only be effective if **accompanied by a legislative measure obliging carriers to refund intermediaries within 7 days**.
- On the measure **ensuring that passengers receive the reimbursement from the carrier if the intermediary ticket vendor is engaged in insolvency proceedings**, 10 out of 17 consumer organisations expressed their agreement with the measure, claiming it would have a strong or very strong contribution. 10 out of 19 airlines disagreed with the measure, claiming it would bring no contribution at all, whereas intermediary ticket vendors (11 out of 13) and claim agencies (2 out of 3) claimed that the policy measure would have a strong or very strong contribution.

Option C: **obliging the passenger to request and receive the reimbursement only from the carrier**

- Passenger organisations had mixed views. Most air carriers and their organisations were sceptical as option C would mean airlines would be responsible for the refund of costumers for whom they potentially lack the essential data. During the workshop, airlines highlighted the challenges related to the reimbursement of the total cost of tickets to the passenger, including possible mark-ups by intermediaries, and then having to turn to intermediaries for their share, making the process unnecessarily complex and expensive (administrative costs and legal costs).
- This proposal is also not supported by intermediary ticket vendors, whereas it is supported by claim agencies, who agree that the **responsibility to reimburse**

passengers should lie directly with the airline regardless of how the ticket was purchased.

- 9 out of 17 consumer organisations consider that this option would bring a strong or very strong contribution. On the other hand, 17 out of 18 airlines and 7 out of 14 intermediaries claimed that this option would not bring any contribution (while 5 out of 14 ticket vendors consider that it would have a strong or very strong contribution).

One consumer organisation proposed another **reimbursement process** in the OPC and the dedicated workshop: **a system of joint and several liability** between intermediaries and air carriers, providing for a **mutual B2B right to redress**, in which passengers can request the reimbursement to either the carrier or the intermediary.
Consumer organisations, ticket vendors and claim agencies reported, in the targeted survey, that companies should agree on commercial terms to make the reimbursement process swift and easier, considering that the reimbursement process usually takes more than 7 days. Consumer organisations stated at the final workshop that the 7-day deadline is never matched in practice. On this matter, the credit card companies involved in the dedicated workshop and interviews stressed the importance to hold the "Merchant of Record" (actor responsible for the processing of the payment) liable for the reimbursement, using the same channel as used during the purchase of the ticket, in line with the principle of *"follow the money"*, and this view was echoed by intermediary ticket vendors during the final workshop.

In the OPC, EU citizens complained about the lack of accountability of both the airline and the intermediary ticket vendor regarding the reimbursement of tickets. Several solutions have been identified by the responding EU citizens, including: i) to oblige the vendors to provide airlines, within a reasonable timeframe, with the payment information and place the reimbursement burden only on airlines; ii) put the reimbursement burden on the actual seller of the tickets, while the carrier should be obliged to transfer money within the 7-day deadline; iii) clearly define relations and responsibilities between intermediaries and airlines; iv) allow citizens to contact the intermediary ticket vendor in relation to journey cancellations by the carrier.

In the targeted stakeholder consultation, several intermediary stakeholders and their associations highlighted the importance of the **airline including all relevant information with the reimbursement payment**, to allow them to easily identify the relevant booking.

A European consumer umbrella organisation submitted evidence to the Commission from its national member associations on passengers' **restricted possibilities to contact airlines**, and passengers' emails to airlines remaining unanswered, during 2022. The same organisation, as well as a major European airline, referred to the problem of intermediaries not providing certain data which are only available to them, which restricts the possibility to identify passengers.

A major European airline drew the Commission's attention to the problem of it having reimbursed the intermediary, and the intermediary not having reimbursed the passengers because the intermediary went bankrupt. Passengers then contacted the airline for the reimbursement payment, which would mean that the **airline would pay twice** (to the intermediary and the airline). A national court had stated that it had not been clear that the passenger had mandated the intermediary to receive the payment on his or her behalf.

The following views have been reported by NEBs and national, regional and local public authorities in relation to the proposed policy measures for this problem area:

- Regarding the proposed preliminary policy options, NEB and national public authorities, within the online questionnaire, were generally in favour of Option A (**Passengers having intermediaries as the first point of contact, with the possibility of going to the airline in case they do not receive their reimbursement**). Indeed, 14

out of 30 NEBs and 4 out of 6 national public authorities responding to the targeted survey stated that measure PM 2.2. **("in case the passenger does not receive the reimbursement from the ticket vendor within 7 days, then the passenger can claim reimbursement from the carrier")** would have a strong or very strong contribution. 20 out of 30 NEBs and national public authorities and 4 out of 6 national public authorities also thought that measure PM 2.2.3 (**ensuring that air carriers implement an accessible procedure to allow passengers to easily identify themselves and provide payment details to the airline)** would bring a (very) strong contribution.

- NEBs and national public authorities were more sceptical regarding Option B (**Giving intermediaries the ultimate responsibility for reimbursements**). Indeed, 13 out of 29 NEBs and 2 out of 6 national public authorities replying believe that measure PM 2.2.5 (**ensuring that passengers can only request reimbursement from the ticket vendor, which then immediately requests the reimbursement from the carrier, and the intermediary reimburses the passenger within 7 days following the latter's reimbursement request, and receives the reimbursement from the carrier within 7 days following its reimbursement request to the carrier)** would bring a strong or very strong contribution, while 3 out of 29 NEBs and 3 out of 6 national public authorities think that the measure would have a moderate contribution. 7 out of the 29 NEBs believe that the measure would bring a slight contribution to solving the problem.
- NEBs and national public authorities have expressed support about Option C (**Giving airlines the ultimate responsibility for reimbursements**), both in the interviews and the targeted questionnaire, claiming that the responsibility to reimburse passengers should lie directly with the airline regardless of the modality of purchase of the tickets. In the call for evidence and the targeted questionnaire, they claimed that there are many cases in which intermediaries receive a reimbursement from the carrier but then do not transfer it to the customer, causing delays in the refund process and the risk of "double reimbursement" for air carriers. This option was deemed to have a very strong or strong contribution by 17 out of 30 NEBs and 3 out of 6 national public authorities replying to the question.

During the analysis of information gathered throughout the stakeholder consultation, **two possible coordinated answers** have been identified: one from **waterborne carriers and their umbrella organisation within the context of the call for evidence**, and one from **intermediary ticket vendors, travel agencies and travel package organisers within the targeted online questionnaire**. These responses have been treated separately in the analysis of the consultation results.

In the call for evidence, **waterborne carriers and one umbrella organisation** raised the following points: improved clarity and consistency of Regulation 1177/2010 is needed, since it does not currently allow carriers to engage with passengers to choose a preferred re-routing option. Moreover, they pointed out the unique circumstance of some waterborne routes which represent the only connection available for some geographical areas. If these routes were to be disrupted by excessive regulation, it might have rippling effects on the economy of the area. In reply to the targeted survey, **intermediary ticket vendors** expressed the following points: there should be no restrictions on B2B reimbursements; transport services which require the traveller to pay in advance should be protected against the operators' insolvency; service suppliers holding the prepayments must refund the intermediaries on time; in the event of major crises, a rapid refund system, either set up at EU level or coordinated at national level, should be mobilised; an harmonisation of the PTD and passenger rights Regulations is needed.

ANNEX 3: WHO IS AFFECTED AND HOW?

1. PRACTICAL IMPLICATIONS OF THE INITIATIVE

This initiative aims at ensuring better financial and personal welfare protection of passengers as well as a higher level of protection through better compliance and stronger enforcement of rights. This objective is intended to ensure a transport sector fit for the future, promoting more sustainable travel and travel across modes.

The impacts of the measures included in the preferred policy package are expected to fall on different stakeholder groups, namely: carriers, intermediary ticket vendors, terminal operators, NEBs and passengers.

Passengers

The ultimate beneficiaries of this initiative are the passengers: they will be more aware of their rights which will be better applied and enforced as a result of the action of carriers, terminal managers, intermediaries and enforcement authorities. They will be much more aware of the possibility to submit their case to ADRs which are in many cases the most efficient bodies to enforce passenger rights. The use of standard claim forms will make reimbursement and compensation claims easier to submit. These claim forms will also be fully accessible for persons with disabilities. The fact that carriers will have to publish reports regularly on their key performance indicators related to passenger rights (e.g., cancellations, delays, number of complaints, results of passenger surveys) will allow passengers to make informed decisions about which carrier to choose. More transparency about their performance will also encourage carriers to improve the quality of their services.

In addition, for the first time, passengers will have rights towards carriers, intermediary ticket vendors and terminal operators when performing a multimodal journey, in addition to the rights they currently enjoy when travelling within a single mode of transport. On top of improved information rights, they will also be better protected when travelling on a single contract of carriage for a multimodal journey (reimbursement/re-routing, care, PRM assistance), leading to substantial cost savings in the event of a travel disruption. Passengers having bought separate tickets from ticket vendors or tour operators will also have a right to reimbursement from the latter in the event of a missed connection, together with a penalty of 75%, in case they were not properly informed of the separate nature of the tickets. The assistance of PRM when switching between modes will also be ensured at multimodal hubs, thanks to the establishment of Single Points of Contact, thereby significantly reducing not only the number of assistance requests to be made by PRM, but also their waiting time before being assisted according to their needs. Finally, passengers will also be able to address complaints to both the industry and national authorities, thereby greatly reducing the hassle costs associated to complaint filing.

Passengers will benefit from full clarity on whom to contact for the reimbursement when they booked through intermediaries, and clear upfront information by both carrier and intermediary on how the reimbursement procedure will be carried out, free of charge to the passenger. The procedure likely to be chosen by most carriers will be via the intermediary. This procedure contains the least ‘hassle’ for the passenger, as the reimbursement can be processed by reversing the original money flow, i.e. without the passenger having to go through proof of identification, having to submit bank details, proof that the ticket was not paid by a corporate third party, and that he did not launch a credit card chargeback (which is assumed to take at least an additional 20 minutes). Furthermore, both carrier and intermediary are incentivised to respect their payment deadlines. The new payment deadline for the intermediary ensures that the intermediary cannot take longer than 7 days, or leave its payment period open, when making the final payment to the customer.

Carriers

The main change for carriers related to enforcement will be that they will have to collect and publish information about the implementation of the already existing rules (establishment of service quality standards). In addition, they will have to take additional measures to inform passengers about their rights and make it easier to exercise them (obligation to better inform passenger about their rights in particular when booking a ticket or in case of transport disruptions and standardised compensation and reimbursement claim forms). Compliant carriers may have a competitive advantage, because carriers have to be transparent about how they comply with their obligations stemming from the EU passenger rights legislation. Given that NEBs have to be more transparent about their way of monitoring passenger rights (based on a transparent risk analysis), carriers may also have a better level playing field within the Single Market.

Regarding passenger rights for multimodal journeys, carriers will have some costs related to information as they will be obliged to provide guidance to passengers on minimum connecting times and other useful information when switching between modes. In addition, they would have to provide real-time information to passengers on cancellations, delays and next connections (SMEs are exempted). Furthermore, they will have to ensure the protection of passengers having a single contract of carriage by means of reimbursement/re-routing, care and PRM assistance. Carriers will also be connected to the Single Points of Contact on multimodal hubs in view of the assistance to PRMs at these hubs when switching between modes. Carriers would also have to set up an online and offline complaint-handling mechanisms for passengers.

The new reimbursement process builds on the current industry system that is being practiced by airlines, whereby large low-cost carriers with an exclusive direct (online) distribution model prefer passengers who booked via an intermediary to request reimbursements directly to the airline, and network carriers and small low-cost carriers reverse the original payment flow via the intermediary, and often have agreements for this in place. If carriers choose the intermediary procedure, they will be able to refuse to process direct requests by passengers and benefit from the easier and cheaper ‘reversal of the payment flow’, as long as they pay the intermediary within the deadline, and the intermediary pays within its deadline. If they choose the carrier-only procedure, they will be able to refuse to cooperate with intermediaries for the reimbursement, which is particularly relevant for airlines which do not authorise or do not prefer intermediaries to purchase their tickets (and some intermediaries purchase them nevertheless, on behalf of the passenger).

Terminal operators

The main changes for terminal operators related to enforcement will be that they will have to collect and report information at the NEBs request about the implementation of the already existing rules (establishment of service quality standards). In addition, they will have to take additional measures to inform passengers about their rights and make it easier to exercise them (obligation to better inform passenger about their rights in particular when booking a ticket or in case of transport disruptions and standardised compensation and reimbursement claim forms).

Concerning passenger rights for multimodal journeys, terminal operators will have some costs related to information as they will be obliged to provide guidance on minimum connecting times and other useful information when switching between modes. In addition, they will have to ensure that a Single Point of Contact is established for PRMs at multimodal hubs. Terminal operators will also have to set up an online and offline complaint-handling mechanism.

Intermediaries

Related to enforcement, intermediaries, alongside carriers, will be obliged to accept an EU-wide standard form for claim-requests, which may necessitate some changes to their claim handling procedures (e.g. possibly impacting their IT systems).

With regard to passenger rights for multimodal journeys, intermediaries will have some costs related to information as they will be obliged to provide guidance on minimum connecting times and other useful information when switching between modes. In addition, they will have to provide real-time information to passengers on cancellations, delays and next connections, where possible. Furthermore, they will have to ensure that they inform passengers correctly in case they sell them separate tickets in a single commercial transaction for a multimodal journey – otherwise they will be liable for the reimbursement (+ a penalty of 75%). This will on the other hand help them to manage expectations of passengers regarding their protection for journeys with separate tickets. In addition, they will have to ensure that PRM can connect to the Single Point of Contact at multimodal hubs. Intermediaries will also have to set up an online and offline complaint-handling mechanism.

Intermediary ticket vendors will receive an official role in the reimbursement process, where the airline so decides and the intermediary agrees as well. Intermediaries are not obliged to advance any payments if they do not want to.

National public authorities

NEBs will be provided with better information to carry out their monitoring and enforcement activities. They will be empowered to request information and documents from operators, and operators would have to provide the information and document requested to NEBs within one-month. The obligation of carriers to publish reports about their key performance indicators related to passenger rights and terminal operators' obligation to submit similar reports to NEBs at the NEBs' request will provide NEBs with valuable information which will also make their enforcement efforts more effective. The obligation of carriers to provide information to passengers about the relevant ADR bodies will ensure that they will receive less complaints in cases where they cannot act upon individual complaints or they cannot take a binding decision, thus they could concentrate their efforts on monitoring and enforcement tasks where they can make real difference.

Concerning multimodal passenger rights, Member States will have to designate a national authority to deal with passenger complaints. This authority could be a body which is already competent for dealing with such complaints for at least one of the individual Regulations for passenger rights.

2. SUMMARY OF COSTS AND BENEFITS

I. Overview of Benefits (total for all provisions) – Preferred Option		
Description	***Amount***	***Comments***
Direct benefits		
Benefits to passengers (in million EUR, expressed as present value over 2025-2050 relative to the baseline)	EUR 21.7 million	Benefits to consumers due to certain assistance rights in the event of a missed connection during a multimodal journey (in particular the right to reimbursement and re-routing as well as a right to care in the form of e.g. refreshments, meals and accommodation) and due to the increased use of the cheaper option of an ADR body, rather than seeking individual redress.
Hassle costs savings for passengers (in million EUR, expressed as present value over 2025-2050 relative to the baseline)	EUR 2,165.3 million	Hassle costs savings for passengers are driven by the time saved thanks to: the higher clarity on the reimbursement procedure (EUR 1,679.1 million), the Single Point of Contact for PRMs (EUR 277.3 million), the use of a EU-wide standardised form for reimbursements and compensation requests (EUR 147 million), the complaint-handling mechanism for multimodal passengers (EUR 43.3 million) and the assistance for PRM passengers travelling under category A multimodal tickets (EUR 18.6 million).
Passengers will benefit much more from their rights, and they have new rights for travelling multimodal.	Assessed qualitatively	The initiative deals with many recurrent issues which make it difficult for passengers to exercise their rights. They will be made much more aware about them, and will have standardised claim forms at their disposal which carriers cannot refuse to deal with. They can inform themselves easily about the service quality standards of a carrier. They are now for the first time protected when switching modes during a multimodal journey, and they can receive their reimbursements without worrying to whom to turn to and when the money has to be in their account in case an intermediary is involved in this process. Their complaints can be taken care of much faster, because the NEBs can request supporting documents within a certain deadline, and passengers have to be informed about ADR bodies – a cheap and efficient way of solving disputes with transport operators or intermediaries.
Clarity on the reimbursement procedure and likely speed of reimbursement payment for the passenger	Assessed qualitatively	Benefit for passengers to have full clarity on whom to contact, and the procedure, with deadlines and including what to do when the intermediary does not pay within 14 days, which should be rare due to incentives for the carrier and the intermediary to comply. Benefit of new 7-day payment deadline for the transaction from the intermediary to the passenger, and the clarity of information on this. Benefit for passengers of the enforcement of the speed of reimbursement through the enforcement measure PM A5.
Enforcement costs savings for national public authorities (NEBs) (in million EUR, expressed as present value over 2025-2050 relative to the baseline)	EUR 5.9 million	Costs savings for national public authorities due to: an easier way to evaluate compliance of carriers and terminal operators due to service quality standards and reporting of carriers and terminal operators, without having to do more in depth and costly monitoring activities, the use of standard claim forms which ease monitoring activities and the expected decrease in the number of court cases.

Hassle costs savings for national public authorities (in million EUR, expressed as present value over 2025-2050 relative to the baseline)	EUR 71.4 million	Hassle costs saving for national public authorities due to the complaint-handling mechanism for multimodal passengers.
NEBs will be much better equipped to deal with their tasks	Assessed qualitatively	NEBs will be able to request information vital to the monitoring and enforcement effort, making it more efficient and less time consuming. It remains their decision how NEBs organise their monitoring and enforcement activities, more transparency about the approach taken may lead to the exchange of good practices and enhance the cooperation between them.
Hassle costs savings for carriers (in million EUR, expressed as present value over 2025-2050 relative to the baseline)	EUR 35.3 million	Hassle costs saving for carriers due to the complaint-handling mechanism for multimodal passengers.
Carriers and terminal operators have a better level playing field	Assessed qualitatively	Transparency about the risk evaluation of NEBs and the monitoring based on it, the possibility that the Commission can ask NEBs to investigate, that all carriers have to be transparent about their service quality standards, giving compliant carriers a competitive advantage, that the B2B relationship with intermediaries is clarified on EU level, all this leads to an improved business environment for carriers.
Hassle costs savings for intermediaries (in million EUR, expressed as present value over 2025-2050 relative to the baseline)	EUR 24 million	Hassle costs saving for intermediaries due to the complaint-handling mechanism for multimodal passengers.
Intermediaries	Assessed qualitatively	Their role in the reimbursement process is clarified which may enhance the trust of passengers in them. Intermediaries have if need be also a right to redress if they pre-finance reimbursements. Intermediaries may also indirectly benefit from clearer liability rules in the context of multimodal travel, in particular where they properly inform passengers on the separate nature of the transport tickets that these intermediaries have combined and sold for a given multimodal journey.
Positive impact on compliance with the rules	Assessed qualitatively	The preferred policy option would help to address the current issues with compliance difficulties, while avoiding changes that would make the rules more difficult to report on and enforce, thus generating a net positive impact.
Indirect benefits		
Functioning of the internal market		Improving the monitoring and enforcement by NEBs is expected to contribute to a level playing field.
Technological development		Accelerated deployment of innovative technologies is expected due to the requirements, specifically on collecting and publishing data on service quality standards, obligations for reporting and to respect the deadlines for reimbursements if an intermediary is involved.
Administrative cost savings related to the 'one in, one out' approach*		

-	-	-

II. Overview of costs – Preferred package of policy options							
		Citizens/Consumers		**Businesses**		**Administrations**	
		One-off	**Recurrent**	**One-off**	**Recurrent**	**One-off**	**Recurrent**
Direct adjustment costs (in million EUR, expressed as present value over 2025-2050 relative to the baseline)		-	-	For carriers: 30.7 million For terminal operators: 6.3 million For intermediaries: 17.5 million	For carriers: 20.5 million For terminal operators: 313.2 million For intermediaries: 0.3 million	-	For national public authorities: 0.02 million
Direct administrative costs (in million EUR, expressed as present value over 2025-2050 relative to the baseline)		-	-	For carriers: 0.1 million For intermediaries: 57.4 million	For carriers: 93.2 million For terminal operators: 2.3 million For intermediaries: 0.03 million	-	For national public authorities: 1.4 million
Direct enforcement costs (in million EUR, expressed as present value over 2025-2050 relative to the baseline)		-	-	-	-	-	For national public authorities: 30.6 million
Costs related to the 'one in, one out' approach							
Total	Direct adjustment costs (in million EUR, expressed as present value over 2025-2050 relative to the baseline)	-	-	For carriers: 30.7 million For terminal operators: 6.3 million For intermediaries: 17.5 million	For carriers: 20.5 million For terminal operators: 313.2 million For intermediaries: 0.3 million		
	Indirect adjustment costs	-	-	-	-		
	Administrative costs (for offsetting) – **costs per year relative to the baseline**	-	-	-	Recurrent administrative costs for carriers, terminal operators and intermediaries: 5.2 million per year (of which, EUR 5.1 million for carriers, EUR		

II. Overview of costs – Preferred package of policy options							
		Citizens/Consumers		Businesses		Administrations	
		One-off	Recurrent	One-off	Recurrent	One-off	Recurrent
					0.1 million for terminal operators and EUR 1,401 for intermediaries). One-off administrative costs for carriers and intermediaries: EUR 57.5 million (of which, EUR 57.4 million for intermediaries and EUR 0.1 million for carriers).		

3. RELEVANT SUSTAINABLE DEVELOPMENT GOALS

III. Overview of relevant Sustainable Development Goals – Preferred Option(s)		
Relevant SDG	**Expected progress towards the Goal**	**Comments**
SDG no. 10 – Reduce inequality within and among countries	More PRM passengers would enjoy travels that include several modes of transport and they would more easily file a complaint if they wish to do so.	The current contribution of the passenger rights framework to the better protection of passengers with disabilities and reduced mobility is essential. All passenger rights Regulations already address PRM related needs. This initiative will make a step further to reduce inequality between passengers.
SDG no. 13 – Climate action	Citizens will be incentivised to travel long distances using multimodal transport.	Providing information to passengers prior to the journey on multimodal travel will support the use of more sustainable modes for each leg of the journey, thus contributing to climate objectives.
SDG no. 16 - Access to justice for all and build effective, accountable and inclusive institutions	Passengers can more easily enforce their rights by an easy filing of complaints or by using the means of redress available such as ADR procedures.	The initiative, which relates to the right to full application and effective enforcement of EU law, will contribute to enhance and make easier the access to justice, means of redress and tools for enforcement.

ANNEX 4: ANALYTICAL METHODS

1. Description of the analytical methods used

The main model used for developing the baseline scenario for this initiative is the PRIMES-TREMOVE transport model by E3Modelling, a specific module of the PRIMES models. The model has a successful record of use in the Commission's energy, transport and climate policy assessments. In particular, it has been used for the impact assessments underpinning the "Fit for 55" package[193], the impact assessments accompanying the 2030 Climate Target Plan[194] and the Staff Working Document accompanying the Sustainable and Smart Mobility Strategy[195], the Commission's proposal for a Long Term Strategy[196] as well as for the 2020 and 2030 EU's climate and energy policy framework.

For the assessment of the impacts of the policy options, an Excel-based tool has been developed by PWC, TIS and Steer in the context of the impact assessment suport study, drawing on the standard cost model. The proposed measures are assumed to be implemented from 2025 onwards, so that the assessment has been undertaken for the 2025-2050 period and refers to EU27. Costs and benefits are expressed as present value over the 2022-2050 period, using a 3% discount rate.

PRIMES-TREMOVE model

The PRIMES-TREMOVE transport model projects the evolution of demand for passengers and freight transport, by transport mode, and transport vehicle/technology, following a formulation based on microeconomic foundation of decisions of multiple actors. Operation, investment and emission costs, various policy measures, utility factors and congestion are among the drivers that influence the projections of the model. The projections of activity, equipment (fleet), usage of equipment, energy consumption and emissions (and other externalities) constitute the set of model outputs.

The PRIMES-TREMOVE transport model can therefore provide the quantitative analysis for the transport sector in the EU, candidate and neighbouring countries covering activity, equipment, energy and emissions. The model accounts for each country separately which means that the detailed long-term outlooks are available both for each country and in aggregate forms (e.g. EU level).

In the transport field, PRIMES-TREMOVE is suitable for modelling *soft measures* (e.g. eco-driving, labelling); *economic measures* (e.g. subsidies and taxes on fuels, vehicles, emissions; ETS for transport when linked with PRIMES; pricing of congestion and other externalities such as air pollution, accidents and noise; measures supporting R&D); *regulatory measures* (e.g. CO_2 emission performance standards for new light duty vehicles and heavy duty vehicles; EURO standards on road transport vehicles; technology standards for non-road transport technologies, deployment of Intelligent Transport Systems) and *infrastructure policies for alternative fuels* (e.g. deployment of refuelling/recharging infrastructure for electricity, hydrogen, LNG, CNG). Used as a module that contributes to the PRIMES energy system model, PRIMES-TREMOVE can show how policies and trends in the field of transport contribute to economy-wide trends in energy use and emissions. Using data disaggregated per Member State, the model can show differentiated trends across Member States.

The PRIMES-TREMOVE has been developed and is maintained by E3Modelling, based on, but extending features of, the open source TREMOVE model developed by the TREMOVE[197] modelling

[193] Delivering the European Green Deal | European Commission (europa.eu).
[194] SWD(2020)176 final.
[195] EUR-Lex – 52020SC0331 – EN – EUR-Lex (europa.eu).
[196] Source: 2050 long-term strategy (europa.eu).
[197] Source: https ://www.tmleuven.be/en/navigation/TREMOVE.

community. Part of the model (e.g. the utility nested tree) was built following the TREMOVE model.[198] Other parts, like the component on fuel consumption and emissions, follow the COPERT model.

Data inputs

The main data sources for inputs to the PRIMES-TREMOVE model, such as for activity and energy consumption, come from EUROSTAT databases and from the Statistical Pocketbook "EU transport in figures[199]. Excise taxes are derived from DG TAXUD excise duty tables. Other data comes from different sources such as research projects (e.g. TRACCS and New Mobility Pattern projects) and reports.

In the context of this exercise, the PRIMES-TREMOVE transport model is calibrated to 2005, 2010 and 2015 historical data. Available data on 2020 market shares of different powertrain types have also been taken into account.

2. Baseline scenario

In order to reflect the fundamental socio-economic, technological and policy developments, the Commission prepares periodically an EU Reference Scenario on energy, transport and GHG emissions. The socio-economic and technological developments used for developing the baseline scenario for this impact assessment build on the latest EU Reference scenario 2020 (REF2020)[200]. The same assumptions have been used in the policy scenarios underpinning the impact assessments accompanying the "Fit for 55" package[201].

2.1. Main assumptions of the baseline scenario

The main assumptions related to economic development, international energy prices and technologies are described below.

2.1.1. Economic assumptions

The modelling work is based on socio-economic assumptions describing the expected evolution of the European society. Long-term projections on population dynamics and economic activity form part of the input to the model and are used to estimate transport activity, particularly relevant for this impact assessment.

Population projections from Eurostat[202] are used to estimate the evolution of the European population, which is expected to change little in total number in the coming decades. The GDP

[198] Several model enhancements were made compared to the standard TREMOVE model, as for example: for the number of vintages (allowing representation of the choice of second-hand cars); for the technology categories which include vehicle types using electricity from the grid and fuel cells. The model also incorporates additional fuel types, such as biofuels (when they differ from standard fossil fuel technologies), LPG, LNG, hydrogen and e-fuels. In addition, representation of infrastructure for refuelling and recharging are among the model refinements, influencing fuel choices. A major model enhancement concerns the inclusion of heterogeneity in the distance of stylised trips; the model considers that the trip distances follow a distribution function with different distances and frequencies. The inclusion of heterogeneity was found to be of significant influence in the choice of vehicle-fuels especially for vehicles-fuels with range limitations.

[199] Source: https://ec.europa.eu/transport/facts-fundings/statistics_en.

[200] EU Reference Scenario 2020 (europa.eu).

[201] Policy scenarios for delivering the European Green Deal (europa.eu).

[202] EUROPOP2019 population projections: Eurostat - Data Explorer (europa.eu).

growth projections are from the Ageing Report 2021[203] by the Directorate General for Economic and Financial Affairs, which are based on the same population growth assumptions.

Table 36: Projected population and GDP growth per Member State

	Population			GDP growth	
	2020	2025	2030	2020-'25	2026-'30
EU27	447.7	449.3	449.1	0.9%	1.1%
Austria	8.90	9.03	9.15	0.9%	1.2%
Belgium	11.51	11.66	11.76	0.8%	0.8%
Bulgaria	6.95	6.69	6.45	0.7%	1.3%
Croatia	4.06	3.94	3.83	0.2%	0.6%
Cyprus	0.89	0.93	0.96	0.7%	1.7%
Czechia	10.69	10.79	10.76	1.6%	2.0%
Denmark	5.81	5.88	5.96	2.0%	1.7%
Estonia	1.33	1.32	1.31	2.2%	2.6%
Finland	5.53	5.54	5.52	0.6%	1.2%
France	67.20	68.04	68.75	0.7%	1.0%
Germany	83.14	83.48	83.45	0.8%	0.7%
Greece	10.70	10.51	10.30	0.7%	0.6%
Hungary	9.77	9.70	9.62	1.8%	2.6%
Ireland	4.97	5.27	5.50	2.0%	1.7%
Italy	60.29	60.09	59.94	0.3%	0.3%
Latvia	1.91	1.82	1.71	1.4%	1.9%
Lithuania	2.79	2.71	2.58	1.7%	1.5%
Luxembourg	0.63	0.66	0.69	1.7%	2.0%
Malta	0.51	0.56	0.59	2.7%	4.1%
Netherlands	17.40	17.75	17.97	0.7%	0.7%
Poland	37.94	37.57	37.02	2.1%	2.4%
Portugal	10.29	10.22	10.09	0.8%	0.8%
Romania	19.28	18.51	17.81	2.7%	3.0%
Slovakia	5.46	5.47	5.44	1.1%	1.7%
Slovenia	2.10	2.11	2.11	2.1%	2.4%
Spain	47.32	48.31	48.75	0.9%	1.6%
Sweden	10.32	10.75	11.10	1.4%	2.2%

Beyond the update of the population and growth assumptions, an update of the projections on the sectoral composition of GDP was also carried out using the GEM-E3 computable general equilibrium model. These projections take into account the potential medium- to long-term impacts of the COVID-19 crisis on the structure of the economy, even though there are inherent uncertainties related to its eventual impacts. Overall, conservative assumptions were made regarding the medium-term impacts of the pandemic on the re-localisation of global value chains, teleworking and teleconferencing and global tourism.

2.1.2. International energy prices assumptions

Alongside socio-economic projections, transport modelling requires projections of international fuel prices. The table below shows the oil prices assumptions of the baseline and

[203] The 2021 Ageing Report : Underlying assumptions and projection methodologies The 2021 Ageing Report: Underlying Assumptions and Projection Methodologies | European Commission (europa.eu).

policy options of this impact assessment, that draw on the modelling underpinning the REPowerEU package[204].

Table 37: Oil prices assumptions

Oil	2015	2020	2030	2040	2050
in $'15 per boe	52.3	39.8	92.1	97.4	117.9
in €'15 per boe	47.2	35.8	83.0	87.8	106.3

2.1.3. Technology assumptions

Modelling scenarios is highly dependent on the assumptions on the development of technologies, both in terms of performance and costs. For the purpose of the impact assessments related to the "Climate Target Plan" and the "Fit for 55" policy package, these assumptions have been updated based on a rigorous literature review carried out by external consultants in collaboration with the JRC. Continuing the approach adopted in the long-term strategy in 2018, the Commission consulted on the technology assumption with stakeholders in 2019. In particular, the technology database of the PRIMES and PRIMES-TREMOVE models (together with GAINS, GLOBIOM, and CAPRI) benefited from a dedicated consultation workshop held on 11th November 2019. EU Member States representatives also had the opportunity to comment on the costs elements during a workshop held on 25th November 2019. The updated technology assumptions are published together with the EU Reference Scenario 2020[205]. The same assumptions have been used in the context of this impact assessment.

2.1.4. Policies in the Baseline scenario

Building on REF2020, the baseline has been designed to include the initiatives of the 'Fit for 55' package proposed by the Commission on 14 July 2021[206] and the initiatives of the RePowerEU package proposed by the Commission on 18 May 2022[207]. In terms of passenger rights, the baseline scenario assumes no further EU level intervention beyond the current Regulations in place[208] and the proposal to amend Regulation (EC) No 261/2004 on air passenger rights[209], currently under discussion by the co-legislators.

As regards the reimbursement of air tickets when booked via intermediaries, the baseline scenario includes:

- The possible use of European Digital Identity Wallets by private parties (provided for in the provisional political agreement of the Council and European Parliament on the core elements of a new framework for a European digital identity (eID) of 29/6/2023[210]) that could potentially lead to future uptake of eIDs by the airline industry. This would most likely facilitate the airline's check of the identity of the passenger. It is currently part of the additional information required by airlines when the ticket was paid by an intermediary on behalf of a passenger, and the passenger approaches the airline directly for a reimbursement.

[204] SWD(2022)230 final.
[205] EU Reference Scenario 2020 (europa.eu).
[206] https://ec.europa.eu/info/strategy/priorities-2019-2024/european-green-deal/delivering-european-green-deal_en.
[207] https://ec.europa.eu/commission/presscorner/detail/en/IP_22_3131.
[208] Regulations (EC) No 261/2004 (air), (EC) No 1107/2006 (air PRM), (EU) No 1177/2010 (sea and inland waterways), (EU) No 181/2011 (bus and coach), (EU 2021/782 (rail).
[209] EUR-Lex - 52013PC0130 - EN - EUR-Lex (europa.eu), COM(2013)130 final.
[210] Available at: https://www.consilium.europa.eu/en/press/press-releases/2023/06/29/council-and-parliament-strike-a-deal-on-a-european-digital-identity-eid/.

- In case of insolvency of the entity which sold the passenger the air ticket, Regulation (EU) 261/2004 applies. The transport contract is always concluded between the passenger and the airline. The onus for the passenger's reimbursement lies with the airline, except where it already transferred the reimbursement money to an intermediary which holds a valid mandate from the passenger to receive the airline's reimbursement payment on his or her behalf. Such a mandate depends on national law and the terms and conditions of the contract between passenger and intermediary. If the airline goes bankrupt and did not yet pay out to the intermediary (with a valid mandate), the passenger becomes the creditor of the airline. If the intermediary goes bankrupt without having received the carrier's reimbursement payment, the passenger can request it from the carrier directly.
- The Digital Services Act (DSA)[211], that sets up a single point of contact for intermediaries[212].
- The Consumer Rights Directive 2011/83/EU, Art. 6(1)c, stipulates that the trader is to provide the consumer with its telephone, fax and email address. The E-Commerce Directive, Art. 5(1)c, stipulates that the service provider is to provide the recipient of the service with an email address. However, these two articles do not apply to air carriers.

The baseline also incorporates foresight megatrends[213] and developments captured in the 2022 Strategic Foresight Report[214]. More specifically, it captures the trend of increasing demand for transport as population and living standards grow. The projected transport activity draws on the long-term population projections from Eurostat and GDP growth from the *Ageing Report 2021*[215] by the Directorate General for Economic and Financial Affairs.

2.2. Baseline scenario results

Number of passengers and passenger services. The total number of passengers in the EU travelling by air, bus and coach, rail and waterborne transport is projected to grow from 13.4 billion in 2019 to 15.4 billion in 2030 and 19.8 billion in 2050 (15% increase for 2019-2030 and 48% increase for 2019-2050), following the recovery from the COVID pandemic[216]. The number of passengers travelling by air would increase from 970 million in 2019 to 1.1 billion in 2030 and 1.4 billion in 2050 (9% growth for 2019-2030 and 41% for 2019-2050), maintaining a relatively stable share in the total number of passengers between 2019 and 2050. The number of passengers travelling by rail is projected to increase faster than for air (from 8.7 billion in 2019 to 9.7 billion in 2030 and 13.3 billion by 2050), driven in particular by the completion of the TEN-T core network by 2030 and of the comprehensive network by 2050, supported by the CEF, Cohesion Fund and ERDF funding, but also by measures of the 'Fit for 55' package that increase to some extent the competitiveness of rail relative to road and air transport. The number of passengers travelling by bus and coach is projected to increase from 3.3 billion in 2019 to 4.1 billion in 2030 and 4.6 billion by 2050, with the share of passengers travelling above 250 km representing around 11% of the total number of passengers travelling by bus and coach[217]. The number of passengers travelling by waterborne transport would also

[211] https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32022R2065.
[212] The assessment of which intermediary is covered by the DSA needs to be done on an individual basis.
[213] https://knowledge4policy.ec.europa.eu/foresight/tool/megatrends-hub_en#explore.
[214] COM(2022) 289 final of 29 June 2022.
[215]The 2021 Ageing Report : Underlying assumptions and projection methodologies The 2021 Ageing Report: Underlying Assumptions and Projection Methodologies | European Commission (europa.eu).
[216] The projections for the number of passengers by transport mode are derived based on the number of passengers for the historical period from Eurostat and the projected growth in passenger-kilometres from the PRIMES-TREMOVE model.
[217] The share of bus and coach passengers travelling above 250 km is derived based on Steer (2021), Study on the EU Regulatory Framework for Passenger Rights. Part B, Evaluation of Regulation (EU) No 181/2011 on the rights of passengers travelling by bus and coach: final report, https://data.europa.eu/doi/10.2832/486038. In the baseline scenario, this share is assumed to remain stable over time.

increase in the baseline scenario, from 418 million in 2019 to 459 million in 2030 and 569 million in 2050. Drawing on the projected number of passengers, seat capacity and occupancy rates, the total number of passenger services by air transport, rail, bus and coach and waterborne transport is estimated to increase from 107 million in 2019 to 109.1 million in 2030 and 133.8 million in 2050. The projected number of passengers and passenger services by mode in the baseline scenario are provided in Table 27.

Table 38: Passenger services and number of passengers in the baseline, by mode

	2019	2020	2030	2040	2050
Total air, bus and coach, rail and waterborne passenger transport					
Total number of passenger services (million)	107.0	56.8	109.1	120.7	133.8
Growth rate relative to 2019		-47%	2%	13%	25%
Total number of passengers (million)	13,402	7,400	15,391	17,863	19,846
Growth rate relative to 2019		-45%	15%	33%	48%
Air transport					
Air services (million)	7.5	2.7	8.6	10.3	12.0
Passengers travelling by air (million)	970	210	1,058	1,231	1,367
Bus and coach					
Bus and coach services (million)	66.4	36.5	63.2	64.9	71.0
of which, services above 250 km	7.3	2.6	7.4	6.8	7.0
Passengers travelling by bus and coach (million)	3,345	2,390	4,137	4,246	4,645
of which, passengers travelling above 250 km	369	259	449	460	504
Rail transport					
Rail services (million)	33.2	17.5	37.3	45.4	50.8
Passengers travelling by rail (million)	8,668	4,570	9,737	11,872	13,264
Waterborne transport					
Passengers travelling by waterborne transport (million)	418	230	459	514	569

Source: PWC, TIS and Steer (2023), Impact assessment support study; Note: the total number of passenger services does not include the services by waterborne transport, for which data is not available.

Multimodal passengers. Drawing on data for the historical period collected in the context of the exploratory study on passenger rights in the multimodal context[218], the number of multimodal passengers is projected to increase from 91 million in 2019 to 103.6 million in 2030 and 150.9 million in 2050 in the baseline scenario. The air-rail passengers represent over 60% of the total multimodal passengers, air-coach passengers above 30%, while the share of rail-coach passengers is limited to around 1% of the total number of multimodal passengers. In terms of market size, the air-rail passengers represented 6.3% of the total number of passengers travelling by air in 2019 and their share is projected at 6.3% in 2030, following the recovery from the COVID-19 pandemic, going up to 6.9% by 2050. The air-coach passengers represented around 0.9% of the total number of bus and coach passengers in 2019, going up to 1.2% by 2050 in the baseline scenario, while the rail-coach passengers represent below 0.05% of the bus and coach passengers over the whole time horizon. Expressed as share of the total number of passengers, multimodal passengers are estimated to increase from 0.7% in 2019 to 0.8% by 2050.

Table 39: Number of multimodal passengers and the market share in the baseline

	2019	2020	2030	2040	2050
Number of multimodal passengers (million)	**91.0**	**30.4**	**103.6**	**126.0**	**150.9**

[218] EY (2019), Exploratory study on passenger rights in the multimodal context: final report, https://data.europa.eu/doi/10.2832/72925.

	2019	2020	2030	2040	2050
Air-rail passengers	60.8	12.4	66.3	81.3	95.0
Air-coach passengers	29.2	17.3	36.1	43.3	54.2
Rail-coach passengers	1.0	0.7	1.3	1.4	1.7
Market size					
Air-Rail (% of air market size)	6.3%	5.9%	6.3%	6.6%	6.9%
Air-Coach (% of bus and coach market size)	0.9%	0.7%	0.9%	1.0%	1.2%
Rail-Coach (% of bus and coach market size)	0.03%	0.03%	0.03%	0.03%	0.04%

Source: PWC, TIS and Steer (2023), Impact assessment support study

Costs for the provision of passenger rights per mode

For air transport, the costs for the provision of passenger rights are the costs to comply with assistance to passengers, in accordance with Regulation 261/2004[219]. The costs are derived based on the Study on the current level of protection of air passenger rights in the EU[220], and taking into account the number of services and passengers projected in the baseline scenario. For air passengers, the composition of cancellations and delay costs are divided into three categories: "compensation", "care and assistance" and "reimbursement and re-routing". Drawing on the costs by distance to destination and hours of delays, and the number of passengers, the projected costs for airlines for the provision of passenger rights due to delays and cancellations in the baseline scenario are projected to increase from EUR 8.1 billion in 2019 to EUR 9.2 billion in 2030 and EUR 13 billion in 2050 (see Table 33).

Table 40: Costs for airlines in the baseline scenario due to cancelations and delays, including compensation, care and assistance, and reimbursement and re-routing (EUR million, in 2021 prices)

	2019	2020	2025	2030	2040	2050
Costs for airlines related to cancelations	5,681	2,075	5,681	6,490	7,826	9,119
Costs for airlines related to delays	2,386	872	2,386	2,726	3,288	3,831
Total costs related to cancelations and delays (EUR million)	8,067	2,947	8,067	9,216	11,114	12,950

Source: PWC, TIS and Steer (2023), Impact assessment support study

For bus and coaches, the costs for bus and coach operators for the provision of passenger rights due to delays (i.e. refreshments) is derived based on the number of passengers travelling by bus and coach using passenger services above 250 km from the baseline scenario, the share of passengers delayed by more than 90 minutes, the share of passengers that started their journey at a bus terminal and the average cost per passenger to cover the refreshments. The share of delays of over one hour and a half in long-distance bus and coach passenger services, the share of passengers that started their journey at a bus terminal, and the average cost per passenger to cover the refreshments for 2019 were retrieved from the evaluation study[221]. In the baseline scenario, the share of delays is assumed to decrease from 6% in 2019 to 4.4% in 2025 and to remain stable till 2050, while the share of passengers that started their journey at a bus terminal is assumed to remain constant over time to its 2019 levels. The average cost per passenger to cover the refreshments is assumed to remain stable over time in constant prices (2021 prices). The total costs for bus and coach operators for the provision of passenger rights due to delays

[219] The costs borne by airlines in instances of disruption, as stipulated within Regulation 261/2004, that we have included in our estimation of the total costs currently borne by airlines are as follows: compensation, care and assistance, reimbursement and re-routing.

[220] Steer (2020), Study on the current level of protection of air passenger rights in the EU: final report, available at: https://data.europa.eu/doi/10.2832/529370.

[221] Steer (2021), Part B - Evaluation of Regulation (EU) No 181/2011 on the rights of passengers travelling by bus and coach.

(i.e. refreshments) are projected to decrease from EUR 4.7 million in 2019 to EUR 4.1 million in 2030, driven by the reduction in the share of delays, and to increase back to EUR 4.7 million in 2050, driven by the increase in the number of passengers.

Table 41: Costs for bus and coach operators related to delays in the baseline scenario (EUR million, in 2021 prices)

	2019	2025	2030	2040	2050
Total (domestic and international) number of passengers using passenger services above 250km (million passengers)	369	381	449	460	504
Share of passengers delayed by more than 90 minutes (%)	6%	4.4%	4.4%	4.4%	4.4%
Share of passengers that started their journey at a bus terminal (%)	10%	10%	10%	10%	10%
Average cost per passenger to cover the delays (EUR)	2.1	2.1	2.1	2.1	2.1
Total costs related to delays (EUR million)	4.7	3.5	4.1	4.3	4.7

Source: PWC, TIS and Steer (2023), Impact assessment support study

The costs related to reimbursements and re-routing for bus and coach operators were further estimated based on the number passengers travelling by bus and coach using passenger services above 250 km, the share of delays of over one hour and a half in long-distance bus and coach passenger services, the share of passengers that claim reimbursement[222] and the average fare per passenger[223]. The total costs for bus and coach operators related to reimbursements and re-routing are estimated at EUR 323 million in 2019, EUR 300 million in 2030 and EUR 349 million in 2050 (Table 35).

Table 42: Costs for bus and coach operators in the baseline scenario due to reimbursement/ re-routing (EUR million, 2021 prices)

	2019	2025	2030	2040	2050
Total (domestic and international) number of passengers using passenger services above 250km (million passengers)	369	381	449	460	504
Share of passengers that claim reimbursement (%)	38%	38%	38%	38%	38%
Share of passengers delayed by more than 90 minutes (%)	6.0%	4.4%	4.4%	4.4%	4.4%
Average fare per passenger (EUR)	38	40	40	42	42
Total costs related to reimbursement/re-routing costs (EUR million)	323	257	300	322	349

Source: PWC, TIS and Steer (2023), Impact assessment support study

The total costs for bus and coach operators for the provision of passenger rights related to delays (i.e. refreshments) and reimbursements and re-routing are estimated to go down from EUR 328 million in 2019 to EUR 304 million in 2030, driven by the reduction in the share of delays, and to increase to EUR 354 million in 2050, driven by the increase in the number of passengers.

[222] The share of passengers that claim reimbursement is based on Steer (2021), Part B – Evaluation of Regulation (EU) No 181/2011 on the rights of passengers travelling by bus and coach, and it is assumed to remain constant over time in the baseline scenario.

[223] The average fare per passenger for 2019 is based on Steer (2021), Part B – Evaluation of Regulation (EU) No 181/2011 on the rights of passengers travelling by bus and coach. Its evolution over time, expressed in constant prices of the year 2021, follows the projected developments in the costs for buses and coaches per passenger-kilometre from the baseline scenario, developed with the PRIMES-TREMOVE model.

For the rail sector the costs related to reimbursement and re-routing were estimated based on the number of rail passengers in the baseline scenario, the share of delayed passengers[224], the share of passengers that claim reimbursement[225], and the average rail fare[226]. The total costs for the rail sector related to reimbursements and re-routing are estimated at EUR 7.3 billion in 2019, EUR 7.3 billion in 2030 and EUR 6.7 billion in 2050, due to the expected reduction in the share of delayed passengers over time. It should however be noted that these should be regarded as upper bound estimates as the share of passengers that claim reimbursement for rail is not known.

Table 43: Rail reimbursement/ re-routing costs

	2019	2025	2030	2040	2050
Number of passengers	8,668	9,067	9,737	11,872	13,264
Share of passengers that claim reimbursement (%)	38%	38%	38%	38%	38%
Share of delayed passengers (%)	10.5%	8.8%	8.8%	7.6%	6.3%
Average fare per passenger (EUR)	21	22	22	22	21
Total costs related to reimbursement/re-routing costs (EUR million)	7,330	6,737	7,251	7,386	6,732

Source: PWC, TIS and Steer (2023), Impact assessment support study

Overall, in the baseline scenario, the costs for airlines, bus and coach operators and the rail sector for the provision of passenger rights are projected to increase from EUR 15.7 billion in 2019 to EUR 16.8 billion in 2030 and EUR 20 billion in 2050, driven by the increase in the number of passengers over time.

PRM requests. The estimated number of PRM requests for the base year is based on the study on the current level of protection of air passenger rights in the EU[227] and the study on the EU Framework for Passenger Rights[228]. The increase in PRM requests in the baseline scenario is driven by the share of population aged 65 years or more, and the baseline developments in transport activity by transport mode. The total number of PRM requests for air, bus and coach, rail and waterborne transport is projected to increase from 82.7 million in 2019 to 115.6 million in 2030 and 199.7 million in 2050, driven by the ageing population.

Table 44: PRM requests per mode of transport

	2019	2020	2025	2030	2040	2050
Air transport						
Number of PRM requests (million)	7.2	1.6	8.4	10.3	14.7	18.7
Growth relative to 2019		-77%	18%	44%	105%	161%
Share of PRM requests in the number of passengers	0.7%	0.8%	0.9%	1.0%	1.2%	1.4%

[224] For the share of delayed passengers over one hour in regional and long-distance rail passenger services, data for 2019-2022 was retrieved from the 10th Rail Market Monitoring Report (2022 – Market Monitoring – IRG Rail (irg-rail.eu)). For 2025, the assumptions draw on the evolution over the historical period. Post-2030, the reduction in the share of delayed journeys takes into account the improved infrastructure envisaged by the proposed revision of the TEN-T Regulation.

[225] For the share of passengers that claim reimbursement the same share as for buses and coaches has been used, in lack of specific data for rail.

[226] The average fare per passenger for 2019-2020 is derived based on 9th and 10th Rail Market Monitoring Report, taking into account the average passenger operators' revenues per passenger-kilometre from fares and compensation (considering long-distance passenger rail services). Its evolution over time, expressed in constant prices of the year 2021, follows the projected developments in the costs for rail per passenger-kilometre from the baseline scenario, developed with the PRIMES-TREMOVE model.

[227] Steer (2020), Study on the current level of protection of air passenger rights in the EU : final report, available at: https://data.europa.eu/doi/10.2832/529370.

[228] Steer (2021), Study on the EU Framework for Passenger Rights.

	2019	2020	2025	2030	2040	2050
Bus and coach transport above 250 km						
Number of PRM requests (million)	3.1	2.2	3.6	4.7	5.7	6.9
Growth relative to 2019		-28%	17%	52%	84%	123%
Share of PRM requests in the number of passengers	0.8%	0.9%	0.9%	1.0%	1.2%	1.4%
Rail transport						
Number of PRM requests (million)	69.5	37.4	82.0	96.6	137.3	167.7
Growth relative to 2019		-46%	18%	39%	97%	141%
Share of PRM requests in the number of passengers	0.8%	0.8%	0.9%	1.0%	1.2%	1.3%
Waterborne transport						
Number of PRM requests (million)	2.9	1.6	3.4	4.0	5.3	6.4
Growth relative to 2019		-43%	19%	37%	81%	122%
Share of PRM requests in the number of passengers	0.7%	0.7%	0.8%	0.9%	1.0%	1.1%
Total passenger transport						
Number of PRM requests (million)	82.7	42.9	97.5	115.6	162.9	199.7
Growth relative to 2019		-48%	18%	40%	97%	142%
Share of PRM requests in the number of passengers	0.8%	0.8%	0.9%	1.0%	1.2%	1.3%

Source: PWC, TIS and Steer (2023), Impact assessment support study

Number of operators. The following table summarises the number of operators per transport mode used in the analysis. The sources used are discussed below. The number of operators by transport mode are assumed to remain stable over time in the baseline scenario.

Table 45: Number of operators per transport mode

	Number of operators
Air	149
Rail	283
Bus and coaches	3,778
Waterborne	523
Terminal operators, of which:	546
Multimodal terminal operators	424
Waterborne terminal operators	122

For **air transport**, the database of EU air carriers by country holding an active operating licence (the ACOL database) for air carriers providing passenger transport services at scale[229] has been used. In total, there were 149 active category A passenger carriers in the EU-27 in 2021.

For **passenger rail operators**, information from IRG-Rail[230] on the number of active railway undertakings has been retrieved. In total, there were 283 passenger railway undertakings in the EU-27 in 2021.

Regarding **bus and coach operators**, no statistics are available at EU level. Therefore, the figures are based on estimations. The methodology takes into account the number of Community licenses which any road passenger operator must possess in order to have free

[229] Considering Category A active operating licences (ACOL) for passenger services. Category A operating licences refer to operators of aircraft with 20 or more seats. This categorisation is in line with Regulation (EC) No 1008/2008 on air services.

[230] Eleventh Annual Market Monitoring Working Document (2023 – Market Monitoring – IRG Rail (irg-rail.eu))

access to the intra-EU road transport market[231]. In 2019, 34,324 carriers possessed community licences in the EU-27[232]. The share of passengers travelling by bus and coach for journeys over 250 km is estimated at 11%[233]. In absence of reliable data, it has been assumed that the number of bus and coach operators offering long-distance services is proportionate to this share. Applying this share to the number of carriers possessing community licences, the number of operators offering long-distance bus and coach services is estimated at 3,778.

For **waterborne transport**, data from Eurostat on the number of active waterborne passenger companies in the EU-27[234] (including both inland passenger water transport and sea and coastal passenger transport) in 2019 has been retrieved. There are about 10,000 companies in the EU dealing with passenger water transport (both in inland passenger water transport and sea and coastal passenger transport), which employ about 124,000 persons. Of these, 80% are employed in the sea and coastal passenger transport sector and approximately 523 operators provide passenger services in the EU-27[235].

For **terminal operators**, to estimate the number of *multimodal terminal operators* affected, the methodology laid down in the proposal for the TEN-T Regulation[236], which establishes that at least one multimodal passenger hub has to be established for the 424 urban nodes of the TEN-T, has been used. This leads to a total of 424 multimodal terminals. In addition, based on the information collected via the main ferry routes, there are 122 waterborne terminals. Therefore, the total number of terminal operators is estimated at 546.

3. Assessment of the economic impacts by policy measure

This section provides the assessment of the costs and costs savings by policy measure for each of the three problem areas, including the assumptions used for their estimation. The synergies between policy measures are also taken into account in the estimations. Section 3.1 provides the costs and costs savings for problem area 1 (Enforcement of EU passenger rights legislation), section 3.2 for problem area 2 (Protection of passengers performing multimodal journeys) and section 3.3 for problem area 3 (Reimbursement rules are unclear when flights were booked via an intermediary). At the end of each of the three sections summary tables of costs and costs savings by stakeholder group, policy option and policy measure are provided for each problem area.

3.1. Problem area 1 - Enforcement of EU passenger rights legislation

PM A.1: Industry stakeholders to share relevant information with NEBs (all modes except rail)

This measure seeks to ensure that carriers, terminal and infrastructure managers, ticket vendors and tour operators provide NEBs with the relevant documents and information according to

[231] In accordance with Article 28(4) of Regulation (EC) No 1073/2009.
[232] https://transport.ec.europa.eu/system/files/2022-10/community-licence-road-passenger-transport_2022-10.pdf
[233] The share of bus and coach passengers travelling above 250 km is derived based on Steer (2021), Study on the EU Regulatory Framework for Passenger Rights. Part B, Evaluation of Regulation (EU) No 181/2011 on the rights of passengers travelling by bus and coach: final report, https://data.europa.eu/doi/10.2832/486038. In the baseline scenario, this share is assumed to remain stable over time.
[234] Considering the scope of Regulation (EU) 1177/2010 concerning the rights of passengers when travelling by sea and inland waterway.
[235] Estimated based on figures from Eurostat, excluding micro companies and aligned with data from the European Community Shipowners' Associations (ECSA).
[236] Proposal for a Regulation of the European Parliament and of the Council on Union guidelines for the development of the trans-European transport network, amending Regulation (EU) 2021/1153 and Regulation (EU) No 913/2010 and repealing Regulation (EU) 1315/2013, COM(2021) 812 final 2021/0420 (COD), December 2022.

their request, without undue delay within one month from the receipt of the request. MS authorities already have the resources and structures in place to comply with the requirements of PM A.1, as do many carriers, terminal and infrastructure managers, ticket vendors and tour operators. Thus, limited costs are expected due to PM A.1 and are not further assessed.

PM A.2: Carriers and terminal operators to establish service quality standards, implement a quality management system and report on results (all modes except rail)

Under PM A.2, carriers shall establish service quality standards, implement a quality management system and publish biennial reports on the results. In addition, terminal operators shall establish service quality standards, implement a quality management system, and disclose results with NEBs if requested to do so. This measure is relevant for all modes, except rail as such a provision already exist in rail passenger rights[237], which is thus part of the baseline.

Adjustment costs for carriers and terminal operators

PM A.2 entail one-off adjustment costs to establish and implement the service quality standards and quality management system relative to the baseline. Air carriers already publish reports and comply with normative standards that could be used to comply with this measure. Therefore, air carriers are expected to require 5 additional working days (on one-off basis) to comply with this measure. In turn, operators from other modes of transport (bus and coach and waterborne transport operators) and terminal operators are expected to require 10 working days (on one-off basis) to implement such quality management system. This assumption was based on evidence collected in the context of the targeted survey[238], adapted to take into account the qualitative evidence gathered during the targeted consultation.

Assuming an hourly worker's wage corresponding to ISCO 3 (technicians and associate professionals)[239] and considering 5 additional working days on one-off basis for air carriers, and taking into account that 149 air carriers are affected by this measure, the one-off adjustment costs for air carriers are estimated at EUR 173,908 in 2025 relative to the baseline.

Table 46: One-off adjustment costs for air carriers due to PM A.2 relative to the baseline

ISCO 3 Technicians and associate professionals hourly wage (EUR per hour in 2021 prices)	31.1
Working days to implement changes	5
Workday (in hours)	7.5
Number of air carriers	149
One-off adjustment costs (EUR, in 2021 prices)	**173,908**

Source: PWC, TIS and Steer (2023), Impact assessment support study

For bus and coach and waterborne transport carriers, 10 working days are assumed to be required to establish and implement the service quality standards and the quality management system. Assuming an hourly worker's wage corresponding to ISCO 3 (technicians and associate professionals) and the 4,103 carriers operating in the bus and coach and waterborne transport

[237] In accordance with Article 29 of Regulation (EC) No 2021/782 of the European Parliament and of the Council of 29 April 2021 on rail passengers' rights and obligations.

[238] Based on evidence provided by travel agencies and tour operators. Although travel agents and tour operators are not affected by this measure, this assumption is also considered valid for transport operators.

[239] Eurostat Structure of earnings survey, Labour Force Survey data for Non-Wage Labour Costs.

sectors, the one-off adjustment costs are estimated at EUR 10 million in 2025 relative to the baseline.

Of the 4,103 carriers operating in the bus and coach and waterborne transport sectors, 3,729 carriers are SMEs (3,211 in the bus and coach sector and 518 in the waterborne sector). Thus, out of EUR 10 million one-off adjustment costs for the bus and coach and waterborne transport sectors, EUR 8.7 million would be incurred by SMEs.

Table 47: One-off adjustment costs for bus and coach, and waterborne transport carriers due to PM A.2 relative to the baseline

ISCO 3 Technicians and associate professionals hourly wage (EUR per hour in 2021 prices)	31.1
Working days to implement changes	10
Workday (in hours)	7.5
Number of bus and coach carriers (offering services above 250km)	3,778
of which, SMEs	3,211
Number of waterborne transport carriers	523
of which, SMEs	518
One-off adjustment costs (EUR, in 2021 prices)	**10,039,092**
of which for SMEs (EUR)	**8,704,148**

Source: PWC, TIS and Steer (2023), Impact assessment support study

For terminal operators, 10 working days are assumed to be required to establish and implement the service quality standards and the quality management system. Assuming an hourly worker's wage corresponding to ISCO 3 (technicians and associate professionals) and the 546 terminal operators affected by the measure, the one-off adjustment costs are estimated at EUR 1.3 million in 2025 relative to the baseline.

Table 48: One-off adjustment costs for terminal operators due to PM A.2 relative to the baseline

ISCO 3 Technicians and associate professionals hourly wage (EUR per hour in 2021 prices)	31.1
Working days to implement changes	10
Workday (in hours)	7.5
Number of terminal operators	546
One-off adjustment costs (EUR, in 2021 prices)	**1,274,545**

Source: PWC, TIS and Steer (2023), Impact assessment support study

Total one-off adjustment costs for carriers (air carriers, bus and coach and waterborne transport carriers) in 2025 are thus estimated at EUR 10.2 million in 2025, of which EUR 8.7 million for SMEs, while the *one-off adjustment costs for terminal operators* are estimated at EUR 1.3 million.

Administrative costs for carriers and terminal operators

Recurrent administrative costs are expected for all carriers due to PM A.2, linked to the reporting obligations. It is however expected that air carriers will spend less time than other transport carriers to comply with the obligation. Air carriers already publish annual financial

reports, which include details on their operational activities. In addition, according to the evidence gathered in the context of the targeted stakeholder consultation, many airlines already have key performance indicators (KPIs) regarding complaint handling, refunds, and compensation for non-compliance with service quality standards, as well as assistance provided to persons with disabilities and persons with reduced mobility. Hence, it is expected that this would require a smaller change in the baseline activities of air carriers in comparison to other modes, where this is not a common practice. Therefore, for air carriers it has been assumed that 1 working day per year is required for the reporting obligation from 2025 onwards. Assuming an hourly worker's wage corresponding to ISCO 3 (technicians and associate professionals), and considering the 149 air carriers operating in the sector, the recurrent administrative costs are estimated at EUR 34,782 per year from 2025 onwards, relative to the baseline. Expressed as present value over 2025-2050, the recurrent administrative costs for air carriers are estimated at EUR 640,438 relative to the baseline.

Table 49: Recurrent administrative costs for air carries due to PM A.2 relative to the baseline

ISCO 3 Technicians and associate professionals hourly wage (EUR per hour in 2021 prices)	31.1
Working days per year for reporting obligations	1
Workday (in hours)	7.5
Number of air carriers	149
Recurrent administrative costs per year, from 2025 onwards (EUR, in 2021 prices)	**34,782**
Recurrent administrative costs, expressed as present value over 2025-2050 (EUR, in 2021 prices)	**640,438**

Source: PWC, TIS and Steer (2023), Impact assessment support study

For other transport carriers (bus and coach and waterborne), it is estimated that they would require 5 working days per year in order to comply with the reporting obligations under PM A.2. Considering that there are 3,778 bus and coach carriers and 523 waterborne transport carriers affected and assuming an hourly worker's wage corresponding to ISCO 3 (technicians and associate professionals), the annual recurrent costs are estimated at EUR 5 million from 2025 onwards relative to the baseline. Of this, EUR 4.4 million are estimated to be costs for SMEs. Expressed as present value over 2025-2050, the recurrent administrative costs for bus and coach and waterborne carriers are estimated at EUR 92.4 million relative to the baseline, of which EUR 80.1 million for SMEs.

Table 50: Recurrent administrative costs for bus and coach and waterborne transport operators due to PM A.2 relative to the baseline

ISCO 3 Technicians and associate professionals hourly wage (EUR per hour in 2021 prices)	31.1
Working days per year for reporting obligations	5
Workday (in hours)	7.5
Number of bus and coach operators	3,778
of which, SMEs	3,211
Number of waterborne operators	523
of which, SMEs	518

Recurrent administrative costs per year, from 2025 onwards (EUR, in 2021 prices)	**5,019,546**
of which for SMEs (EUR)	**4,352,074**
Recurrent administrative costs, expressed as present value over 2025-2050 (EUR, in 2021 prices)	**92,425,640**
of which for SMEs (EUR)	**80,135,379**

Source: PWC, TIS and Steer (2023), Impact assessment support study

For terminal operators, the effort required for disclosing results with NEBs is estimated at 1 working day per year. Considering the 546 terminal operators affected and assuming an hourly worker's wage corresponding to ISCO 3 (technicians and associate professionals), the annual recurrent administrative costs for terminal operators are estimated at EUR 127,455 from 2025 onwards. Expressed as present value over 2025-2050, the recurrent administrative costs for terminal operators are estimated at EUR 2.3 million relative to the baseline.

Table 51: Recurrent administrative costs for terminal operators due to PM A.2 relative to the baseline

ISCO 3 Technicians and associate professionals hourly wage (EUR per hour in 2021 prices)	31.1
Working days per year for reporting obligations	1
Workday (in hours)	7.5
Number of terminal operators	546
Recurrent administrative costs per year, from 2025 onwards (EUR, in 2021 prices)	**127,455**
Recurrent administrative costs, expressed as present value over 2025-2050 (EUR, in 2021 prices)	**2,346,839**

Source: PWC, TIS and Steer (2023), Impact assessment support study

Total recurrent administrative costs for carriers (air carriers, bus and coach and waterborne transport carriers) are thus estimated at EUR 5.1 million per year from 2025 onwards, of which EUR 4.4 million for SMEs, while *for terminal operators* they are estimated at EUR 127,455. Expressed as present value over 2025-2050, the recurrent administrative costs for carriers are estimated at EUR 93.1 million, of which EUR 80.1 million for SMEs, and those for terminal operators at EUR 2.3 million relative to the baseline.

Enforcement costs for national public authorities

PM A.2 is also expected to lead to recurrent enforcement costs for national public authorities for reviewing the results of terminal operators and the reports of passenger carriers considered (i.e. bus and coach carriers, waterborne transport carriers and air carriers). The effort per review is estimated at 2 working days. Assuming an hourly worker's wage corresponding to ISCO 2 (professionals), the cost per review is estimated at EUR 562.

The NEBs are not expected to review each biennual report published by the carriers and terminal operators but rather to perform individual checks, based on their risk assessment. It is also expected that reports are allocated between the NEBs (reports allocated to the NEBs responsible for issuing of the relevant license), so that each report is checked maximum once.

Therefore, it is assumed that authorities will have to review 20%[240] of the reports each year. In addition, national public authorities will have to review the results of terminal operators.

Total enforcement costs for national public authorities are thus estimated at EUR 280,663 per year from 2025 onwards, relative to the baseline. Expressed as present value over 2025-2050, this is equivalent to EUR 5.2 million relative to the baseline.

Table 52: Recurrent enforcement costs for national public authorities due to PM A.2 relative to the baseline

Cost per review (EUR)	562
Number of reports reviewed per year (air carriers, bus and coach and waterborne transport carriers)	445
Number of reviews of terminal operators results per year	55
Recurrent enforcement costs per year, from 2025 onwards (EUR, in 2021 prices)	**280,663**
Recurrent enforcement costs, expressed as present value over 2025-2050 (EUR, in 2021 prices)	**5,167,894**

Source: PWC, TIS and Steer (2023), Impact assessment support study

Enforcement costs savings for national public authorities

The implementation of services quality standards, along with a quality management system, and the publication of carriers' performance reports are expected to result in cost savings for national public authorities by reducing the need for monitoring activities. According to the evidence provided by the Danish public authority during the stakeholders' consultation, such measure could result in costs savings of 5% per year due to monitoring activities. Thus, considering 215 workdays per year, the savings due to this measure are estimated at 5% of one employee's workload per year, for each of the 27 Member States. The total enforcement cost savings are estimated at EUR 81,534 per year from 2025 onwards, relative to the baseline. Expressed as present value over 2025-2050, they are estimated at EUR 1.5 million.

Table 53: Enforcement costs savings for public authorities due to PM A.2 relative to the baseline

ISCO 2 Professionals hourly wage (EUR per hour in 2021 prices)	37.5
Workday (in hours)	7.5
Workdays in a year	215
Number of Member States	27
Cost savings per year for one employee per Member State	5%
Recurrent enforcement costs savings per year, from 2025 onwards (EUR, in 2021 prices)	**81,534**
Recurrent enforcement costs savings, expressed as present value over 2025-2050 (EUR, in 2021 prices)	**1,501,294**

Source: PWC, TIS and Steer (2023), Impact assessment support study

[240] This implies that each report would be reviewed at least every five years.

PM A.3: Adoption of an EU-wide standardised form for reimbursements and compensation requests (all modes except rail)

In PM A.3, the Commission adopts an EU-wide standardised form for reimbursements and compensation requests via an implementing act - carriers, ticket vendors and tour operators are obliged to accept this form, but passengers are not forced to use it. This measure applies to all modes except rail as such a provision already exist in rail passenger rights.

One-off adjustment costs for carriers and intermediaries

PM A.3 is expected to lead to one-off adjustment costs for carriers (bus and coach, air carriers and waterborne transport carriers) and intermediaries to adopt an EU-wide standardised form for reimbursements and compensation requests. According to stakeholder evidence received in relation to similar measures for adjusting the information system[241], it is assumed that half a working day on one-off basis would be needed to implement these changes. Considering the 4,450 carriers (3,778 bus and coach carriers, 149 air carriers and 523 waterborne carriers) and 123,000 intermediaries, and assuming an hourly worker's wage corresponding to ISCO 3 (technicians and associate professionals), the total one-off adjustment costs due to PM A.3 are estimated at EUR 14.9 million, relative to the baseline, of which EUR 14.1 million are costs for SMEs.

Table 54: One-off adjustment costs for carriers and intermediaries due to PM A.3 relative to the baseline

ISCO 3 Technicians and associate professionals hourly wage (EUR per hour in 2021 prices)	EUR 31.1
Time to implement changes per carrier/intermediary (working days)	0.5
Workday (in hours)	7.5
Number of carriers affected (bus and coach, air and waterborne)	4,450
Number of intermediaries affected	123,000
One-off adjustment costs for carriers in 2025 (EUR, in 2021 prices)	**519,345**
of which for SMEs (EUR, in 2021 prices)	**435,207**
One-off adjustment costs for intermediaries in 2025 (EUR, in 2021 prices)	**14,356,140**
of which for SMEs (EUR, in 2021 prices)	**13,638,333**
Total one-off adjustment costs for carriers and intermediaries in 2025 (EUR, in 2021 prices)	**14,875,485**
of which for SMEs (EUR, in 2021 prices)	**14,073,540**

Source: PWC, TIS and Steer (2023), Impact assessment support study

The cost per stakeholder is estimated at around EUR 117. The one-off adjustment costs by stakeholder group are provided in the table below.

Table 55: One-off adjustment costs due to PM A.3 for carriers and intermediaries, by stakeholder group

Cost per stakeholder (EUR)	117
Total costs for bus and coach carriers (EUR)	440,912

[241] According to the Dutch National Enforcement Body, it would be required 0.5 working days to implement such changes.

Total costs for air carriers (EUR)	17,391
Total costs for waterborne transport carriers (EUR)	61,043
Total costs for intermediaries (EUR)	14,356,140
Total one-off adjustment costs in 2025 (EUR, in 2021 prices)	**14,875,485**

Source: PWC, TIS and Steer (2023), Impact assessment support study

Benefits for consumers (hassle costs savings)

It should be noted that the objective of this measure is to benefit the passengers. Passengers will be able to use this form in cases where the system of the carrier/intermediary does not easily allow them to launch a request. Therefore, the measure is expected to result in hassle costs savings for the passengers.

In the baseline scenario passengers have to navigate through the carriers'/intermediaries' websites and complaint procedure, in order to find the right option to file a claim. This process can be very time consuming, as the navigation to the carriers'/ intermediaries' claim form is often counterintuitive, leading to hassle costs for passengers. In the worst case scenario this cumbersome process completely deters some passengers from filing claims.

With a more accessible claim form, that is developed with the passenger's needs in mind, it is estimated that a passenger that files a claim would spend 10 to 30 minutes less for finding and filing in the claim. To calculate the hassle costs savings due to PM A.4, the baseline projections on the number of passengers travelling by air and long-distance bus and coach are used as a starting point[242]. For passengers travelling by air, the share of passengers requesting reimbursements is assumed to be 3%[243], while for passengers travelling by long-distance bus and coach it is assumed to be 1.7%[244]. In addition, under a conservative assumption, 5% of passengers that submit a claim are estimated to use the standardised form for reimbursement. Considering the consumer value of time estimated at EUR 22.7 per hour[245] in 2021 prices, and the time saved of 10 minutes (lower bound estimate) to 30 minutes (upper bound estimate), the hassle costs savings for 2025, 2030, 2040 and 2050 relative to the baseline are provided in the table below. Per consumer, they are estimated at EUR 3.8 to 11.4. Expressed as present value over 2025-2050, they are estimated at EUR 147 million (EUR 120.6 million for air passengers and EUR 26.4 million for bus and coach passengers) to EUR 441.1 million (EUR 361.7 million for air passengers and EUR 79.3 million for bus and coach passengers).

Table 56: Hassle costs savings for consumers due to PM A.3 relative to the baseline

	2025	2030	2040	2050
Number of passengers affected	1,774,211	1,962,633	2,230,773	2,471,940
Passengers travelling by air	1,455,642	1,587,638	1,845,865	2,050,860
Passengers travelling by bus and coach	318,569	374,995	384,908	421,080
Consumers value of time (EUR)	22.7	22.7	22.7	22.7
Hassle costs savings (EUR)				

[242] Due to lack of granular data on waterborne transport and the number of waterborne passengers affected, the benefits for the waterborne passengers have not been estimated.
[243] According to evidence provided by one airline for 2019. One large OTA provided a similar figure for reimbursement requests in 2019 (3.2%).
[244] This is derived taking into account the share of passengers that claim reimbursement (38%) of the share of passengers delayed by more than 90 minutes (4.4%).
[245] Source: https://www.eurocontrol.int/sites/default/files/publication/files/standard-input-for-eurocontrol-cost-benefit-analyses-2018-edition-8-version-2.6.pdf.

	2025	2030	2040	2050
Lower bound estimate, of which:	6,713,176	7,426,116	8,440,693	9,353,210
Passengers travelling by air	5,507,788	6,007,228	6,984,298	7,759,947
Passengers travelling by bus and coach	1,205,387	1,418,888	1,456,395	1,593,263
Upper bound estimate, of which:	20,139,527	22,278,348	25,322,079	28,059,631
Passengers travelling by air	16,523,365	18,021,684	20,952,893	23,279,841
Passengers travelling by bus and coach	3,616,161	4,256,664	4,369,186	4,779,790

Source: PWC, TIS and Steer (2023), Impact assessment support study

It is important to note that passengers will use this form on a voluntary basis, opting either to request reimbursement using the carrier's online reimbursement form or using the EU-wide standardised form. Nonetheless, as carriers will be obliged to have a claim form available to passengers it is expected that they will be motivated by this measure to improve their own form. This is expected to bring additional benefits to passengers, due to more claims from passengers who would have otherwise not filed a claim. In addition, the form will be easily accessible to PRMs, bringing additional easiness to claim their reimbursement.

Enforcement costs savings for national public authorities

PM A.3 is expected to lead to enforcement costs savings for national public authorities. A standardised form can facilitate the NEBs job in monitoring reimbursement and compensations requests, since they would spend less time analysing different forms from carriers. According to evidence provided by the Danish public authority during the stakeholders' consultation, PM A.4 could lead to savings of 5% of the time of one employee performing monitoring activities, per year.

Considering 215 workdays in a year and assuming an hourly worker's wage corresponding to ISCO 2 (professionals), the savings from this measure are estimated to be 5% of one worker per year, for the 27 Member States involved. The total costs savings, expressed as present value over 2025-2050, are estimated at EUR 1,501,294.

Table 57: Recurrent enforcement costs savings for national public authorities due to PM A.3 relative to the baseline

ISCO 2 Professionals hourly wage (EUR per hour in 2021 prices)	37.5
Workday (in hours)	7.5
Workdays in a year	215
Number of Member States	27
Time saved per year for one employee per public authority	5%
Recurrent enforcement costs savings from 2025 onwards (EUR, in 2021 prices)	**81,534**
Recurrent enforcement costs savings, expressed as present value over 2025-2050 (EUR, in 2021 prices)	**1,501,294**

Source: PWC, TIS and Steer (2023), Impact assessment support study.

PM A.4: NEB(s) shall perform compliance monitoring activities of the industry stakeholders based on a risk assessment

Under PM A.4, each Member State shall require its NEB(s) to perform compliance monitoring activities of the carriers, terminal operators, ticket vendors and tour operators based on a risk

assessment. The outline of this risk assessment and an explanation in general terms on how it has been developed has to be published by the NEB(s) every two years.

Administrative costs for public authorities

No additional costs are expected due to the monitoring activities on carriers as these are part of the baseline. The costs of additional monitoring activities on terminal operators and intermediaries are included in the costs of the risk assessment to be performed, presented below.

To produce the risk assessment, 5 to 10 person days would be required, according to the evidence provided during the stakeholders' consultation. This includes discussions with stakeholders (namely industry/consumer-passengers' representatives), with other NEBs, with the Commission and the review of monitoring activities.

Regarding carriers, risk assessments are already performed and are thus part of the baseline. Under a conservative approach, 10 person days per year are assumed to be needed to produce the risk assessment, publish it and carry out monitoring activities on terminal operators, ticket vendors and tour operators. Assuming an hourly worker's wage corresponding to ISCO 2 (professionals), working 7.5 hours per day which would amount to an estimated cost expressed as present value 2025-2050 of EUR 1,396,552.

Table 58: Recurrent enforcement costs for national public authorities due to PM A.4 relative to the baseline

ISCO 2 Professionals hourly wage (EUR per hour in 2021 prices)	37.5
Annual working days for the risk assessment	10
Workday (in hours)	7.5
Number of Member States	27
Recurrent enforcement costs per year from 2025 onwards (EUR, in 2021 prices)	**75,845**
Recurrent enforcement costs, expressed as present value over 2025-2050 (EUR, in 2021 prices)	**1,396,552**

Source: PWC, TIS and Steer (2023), Impact assessment support study

PM A.5: Carriers and terminal operators shall better inform passenger about their rights in particular when booking a ticket or in case of transport disruptions

Under PM A.5, carriers and terminal operators shall better inform passengers on their rights when booking their journeys, when a disruption occurs, including on the complaint handling mechanisms. Information to passengers on their rights shall be succinct and made easily, prominently and directly available. It shall be provided in a clear and comprehensible manner and not merely in the standard terms and conditions or similar contractual documents. It shall be provided by electronic means as far as possible.

One-off adjustment costs for carriers and terminal operators

For implementing this measure, carriers and terminal operators must adjust their IT and communications systems to improve the provision of information on passenger rights, notable at the time of booking and transport disruption. They shall be prepared to send such information

by electronic means to the passengers as far as possible (e.g. the passenger provided the contact details and authorised them to use to them to send such messages).

Although the measure is foreseen for all modes, many of the modes already present some information to passengers (for rail - Article 30 and 33(1) of Regulation (EU) 2021/782, for bus and coach carriers and terminal operators - Article 25 of Regulation (EU) No 181/2011, for air - Article 14 of Regulation (EC) 261/2004, for waterborne carriers and terminal operators - Article 23 of Regulation (EU) 1177/2010). However, as these Articles are not sufficiently descriptive about when and where passengers should be informed about their rights, it has been assumed that operators will incur additional costs due to PM A.5. This measure is expected to have varying impact on the different modes. The measure is expected to have the least impact on rail operators, and higher impact on air carriers, bus and coach operators, and waterborne carriers and their respective terminal operators.

Regarding multimodal hubs, for passengers on multimodal journeys, the legal obligation to inform passengers of their rights, is also needed.

Hence, 5,319 carriers and terminal operators are expected to be affected by this measure. It is also assumed that a limited adjustment is needed to their website or booking process.

Table 59: Number of stakeholders affected by PM A.5

Stakeholders' groups	Number of carriers/terminals
Number of bus and coach operators affected	3,778
Number of rail operators affected	283
Number of waterborne operators affected	523
Number of air carriers affected	149
Number of multimodal terminals affected	546
Total	**5,279**

Source: PWC, TIS and Steer (2023), Impact assessment support study

Due to the differences among the articles of regulations, the additional time estimated for implementing such changes differ between rail operators on the one hand, and bus and coach carriers, waterborne operators, air carriers and terminal operators on the other hand.

Concerning rail operators, assuming an hourly worker's wage corresponding to ISCO 3 (technicians and associate professionals) and one additional working day per operator to update both their communication systems and websites to comply with PM A.5, the one-off adjustment are estimated at EUR 66,062 in 2025 relative to the baseline.

Table 60: One-off adjustment cost for rail operators due to PM A.5 relative to the baseline

ISCO 3 Technicians and associate professionals hourly wage (EUR per hour in 2021 prices)	31.1
Workday (in hours)	7.5
Working days to implement the changes per operator	1
Number rail operators affected	283
One-off adjustment costs in 2025 (EUR)	**66,062**

Source: PWC, TIS and Steer (2023), Impact assessment support study

Regarding *air carriers, waterborne operators, bus and coach operators and terminal operators,* it is estimated that 5 additional working days would be required to update both their communication systems and websites to comply with PM A.5. As mentioned above, these stakeholders' groups have less legal information obligations than rail. Air carriers have even less legal information obligations than the rest, but air carriers already partly comply on a voluntary basis. For this reason, air carriers can be grouped together with waterborne operators, bus and coach operators and terminal operators. The one-off adjustment costs due to A.5 for air carriers, waterborne operators, bus and coach operators and terminal operators are estimated at EUR 5.8 million in 2025 relative to the baseline, of which EUR 4.4 million for SMEs.

Table 61: One-off adjustment costs for operators (excluding rail) due to PM A.6 relative to the baseline

ISCO 3 Technicians and associate professionals hourly wage (EUR per hour in 2021 prices)	31.1
Workday (in hours)	7.5
Working days to implement the changes per operator	5
Number of bus and coach operators, air carriers, waterborne transport carriers and terminal operators affected	4,996
of which SMEs (bus and coach and waterborne transport)	3,729
One-off adjustment costs in 2025 (EUR)	**5,830,726**
of which for SMEs (EUR)	**4,352,074**

Source: PWC, TIS and Steer (2023), Impact assessment support study

Total one-off adjustment costs for carriers and terminal operators are estimated at EUR 5.8 million in 2025 relative to the baseline, of which EUR 5.3 million for carriers.

Enforcement costs for public authorities

Considering the synergies with PM A.2 no additional costs are foreseen for public authorities in PM A.5 for monitoring activities.

Benefits for consumers

Under PM A.6, passengers are expected to benefit from greater transparency and clarity with regard to their rights, which may lead to hassle costs savings for bookings, in case of disruption during their journeys and in case of complaint-handling.

Data from the Special Eurobarometer report on passenger rights (Eurobarometer 485)[246] shows that 14% of passengers were aware of passenger rights in general terms. In turn, 14% of air passengers were aware of air passenger rights, 8% of rail passengers were aware of their rights, compared to 5% of bus and coach passengers and 3% of waterborne passengers. The Eurobarometer report suggests a correlation between the use of air transport and awareness of air passenger rights. Indeed, this has been reflected in the Passenger Rights Evaluation support

[246] Special Eurobarometer 485, Passenger rights, January 2020, available at: https://europa.eu/eurobarometer/surveys/detail/2200https://europa.eu/eurobarometer/surveys/detail/2200.

studies[247,248,249,250], which showed that passenger claim rates for compensation have increased significantly between 2011 and 2018 in air transport. Moreover, the Regulation has led to improvements in the treatment of PRMs across Europe, primarily in terms of greater awareness of the needs of PRMs, and quality improvements to the PRM assistance service.

In this regard, better information of passenger about their notably when booking a ticket is expected to lead to potential hassle costs savings for all passengers due to the greater transparency at the booking process. Although no reliable quantitative estimate is possible, PM A.6 is expected to benefit 95.9 million passengers in 2025 (including passengers from air transport, long-distance bus and coach transport, waterborne transport and rail transport), 109 million passengers in 2030 and approximately 134 million passengers in 2050. The better information of passenger about their rights is also expected to provide greater clarity for passengers in case of disruption, which may provide even greater benefits for PRMs, in line with the findings of the Evaluation Support Study. Moreover, passengers may also benefit of time savings when handling their complaints and requesting compensation.

PM A.6: NEBs (all modes except rail) shall provide information on ADR (Alternative Dispute Resolution) bodies to passengers

In PM A.6, NEBs are obliged to inform the passengers about the right to complain to ADR bodies to seek individual redress where the NEB is not at the same time an alternative dispute resolution body. This mesure applies to all modes except rail.

Adjustment costs for NEBs to inform about ADR body

To implement PM A.6, NEBs would have to inform passengers about their option to use ADR bodies to seek individual redress as well as refer them to the ADR. This is expected to be achieved by adding information on the ADR process and a reference to the EU ADR Database on their website. The effort required has been estimated at half a working day on one-off basis per NEB. For estimating the costs due to PM A.6, 174 NEBs are considered (31 for air, 32 for air PRM, 41 for waterborne and 70 for buses and coaches). Assuming an hourly worker's wage corresponding to ISCO 2 (professionals) and 7.5 working hours per day, the total one-off adjustment costs of PM A.6 are estimated at EUR 24,439 in 2025 relative to the baseline.

Table 62: One-off adjustment costs for NEBs due to PM A.6 relative to the baseline

ISCO 2 Professionals hourly wage (EUR per hour in 2021 prices)	37.5
Working days to implement the changes	0.5
Workday (in hours)	7.5
Number of NEBs affected	174
One-off adjustment costs in 2025 (EUR)	**24,439**

Source: PWC, TIS and Steer (2023), Impact assessment support study

[247] Steer (2021), PART A - Evaluation of Regulation (EC) No 1107/2006 on the rights of persons with disabilities and with reduced mobility when travelling by air - Study on the EU Framework for Passenger Rights.
[248] Steer (2021), Part B - Evaluation of Regulation (EU) No 181/2011 on the rights of passengers travelling by bus and coach - Study on the EU Framework for Passenger Rights.
[249] Steer (2021), Part C - Evaluation of Regulation (EU) No 1177/2010 on the rights of passengers travelling by sea and inland Waterways - Study on the EU Framework for Passenger Rights.
[250] Study on the current level of protection of air passenger rights in the EU, Steer (2020).

Loss of revenues for claim agencies

Online claim agencies help handle air passengers' claims to airlines on their behalf. They deal with the paperwork, the administrative details, representing passengers throughout the claims process and in many cases representing them in court. Claim agencies may incur a loss of revenues due to PM A.6, due to the decrease in the number of litigation cases handled on behalf of passengers. Based on desk research carried out for the different court cases involving claims related to Regulation 261/2004, it is estimated that around 50% of the cases that are taken to court that relate to air passenger rights claims are currently done so through claim agencies. According to evidence provided by one claim agency in the stakeholders consultation, court cases may cost up to EUR 1,000, which encompasses costs from lawyers, court fees and official document translation.

Evidence from online claim agencies' websites[251] shows that court fees may represent up to 50% of the total amount the passenger is due in terms of compensation. It is estimated that, per year, 5,152 to 10,303 of court cases are taken forward by claim agencies on behalf of air passengers, considering that each court case involves on average 1 passenger (minimum) to 2 passengers (maximum), although there may be court cases related to Regulation 261/2004 representing up to 15 passengers according to the evidence gathered. For the assessment, it has been assumed that on average 7,728 court cases per year are taken forward by claim agencies on behalf of air passengers (of around 15,456 cases in total). Assuming that the increase in passengers' rights awareness may decrease the number of court cases by 10% relative to the baseline in line with evidence from the Steer study[252], and the average reimbursement fee per case is EUR 231 per case, of which the court fees for claim agencies represent 50%, the loss of revenue for claim agencies is estimated at EUR 89,381 per year or EUR 1.6 million, expressed as present value over 2025-2050, relative to the baseline.

Table 63: Loss of revenues for claim agencies due to PM A.6 relative to the baseline

Number of court cases per year (average)	7,728
Assumed reduction in the number of court cases due to the increase in passengers' rights awareness	10%
Court fees for claim agencies	50%
Average reimbursement fee per case (EUR)	231
Loss of revenues per year from 2025 onwards (EUR, in 2021 prices)	**89,381**
Loss of revenues expressed as present value over 2025-2050 (EUR, in 2021 prices)	**1,645,793**

Source: PWC, TIS and Steer (2023), Impact assessment support study

Enforcement costs savings for national public authorites

Authorities may incur enforcement costs savings due to the increased awareness by passengers of their rights. As passengers would be better informed about their rights to complain to ADR bodies to seek individual redress, this may lead to a decrease in the litigation cases in courts, given that ADR bodies can take on a stronger mediation role in individual redress cases. This would result in costs savings for consumers, but also for public authorities, due to a reduction in the number of hours spent resolving litigation disputes involving passenger rights.

[251] Information retrieved for AirHelp, euclaim, SkyRefund and Airclaim.
[252] Steer (2020), Study on the current level of protection of air passenger rights in the EU, European Commission.

The scope of analysis focuses only on air transport since most of the available information regards claims under Regulation 261/2004 on air passenger rights. However, PM A.7 could also result in costs savings for court cases related to other modes. So, the estimates here should be regarded as the lower bound.

Based on desk research, on average litigation hearings take 2 hours. Assuming an hourly worker's wage corresponding to ISCO 1 (legislators, senior officials and managers) for the court staff, and considering according to evidence from the Steer study[253], that the increase in passengers' rights awareness, monitoring and enforcement results in 10% decrease in the number of court cases relative to the baseline, the enforcement costs savings for national public authorities are estimated at EUR 155,177 per year from 2025 onwards relative to the baseline.

Table 64: Recurrent enforcement costs savings for national public authorities due to PM A.6 relative to the baseline

Number of court cases per year (average)	15,456
ISCO1 Legislators, senior officials, and managers hourly wage (EUR per hour in 2021 prices)	50.2
Average working hours per dispute (hours)	2
Potential savings (%)	10%
Recurrent enforcement costs savings per year from 2025 onwards (EUR, in 2021 prices)	**155,177**
Recurrent enforcement costs savings, expressed as present value over 2025-2050 (EUR, in 2021 prices)	**2,857,294**

Source: PWC, TIS and Steer (2023), Impact assessment support study

Benefits for consumers

The loss of revenues for claim agencies represent in practice costs savings for the consumers. Following the calculations above, the cost savings for the consumers are estimated at EUR 89,381 per year or EUR 1.6 million, expressed as present value over 2025-2050, relative to the baseline. Beyond this, it was not possible to quantify the benefits for consumers related to PM A.6. Nevertheless, the increased level of information for passengers on their right to complain to ADR, may result in passengers seeking more individual redress when compared to the baseline. Not only would they incur benefits by receiving reimbursements and compensation they would not otherwise, but it can also be less costly for them if they do not have to resort to claim agencies.

Summary of costs and costs savings by option and by measure (problem area 1)

The summary of recurrent and one-off costs and costs savings by option and by measure, expressed as present value over 2025-2050, and for 2025, 2030 and 2050 relative to the baseline are provided in the tables below.

Table 65: Recurrent and one-off costs and costs savings in the POs, expressed as present value relative to the baseline, in million EUR (2021 prices)

	Difference to the Baseline	
	PO 1.1	**PO 1.2**
Carriers		
Administrative costs	93.07	93.07
PM A.2	93.07	93.07
Adjustment costs	10.73	15.99

[253] Steer (2020), Study on the current level of protection of air passenger rights in the EU, European Commission.

	Difference to the Baseline	
	PO 1.1	PO 1.2
PM A.2	10.21	10.21
PM A.3	0.52	0.52
PM A.5		5.26
Terminal operators		
Administrative costs	2.35	2.35
PM A.2	2.35	2.35
Adjustment costs	1.27	1.91
PM A.2	1.27	1.27
PM A.5		0.64
Intermediaries		
Adjustment costs	14.36	14.36
PM A.3	14.36	14.36
Claim agencies		
Loss of revenues	1.65	1.65
PM A.6	1.65	1.65
Public authorities		
Adjustment costs	0.02	0.02
PM A.6	0.02	0.02
Administrative costs	0.00	1.40
PM A.4		1.40
Enforcement costs	7.21	7.21
PM A.2	5.17	5.17
Enforcement costs savings	5.86	5.86
PM A.2	1.50	1.50
PM A.3	1.50	1.50
PM A.6	2.86	2.86
Consumers		
Hassle costs savings	148.67	148.67
PM A.4*	147.02	147.02
Benefits for consumers		
PM A.7	1.65	1.65
Total costs and loss of revenues	130.66	137.95
Total costs savings	154.53	154.53
Net benefits	23.87	16.57
Benefits to costs ratio	1.18	1.12

*Source: PWC, TIS and Steer (2023), Impact assessment support study; Note: * stands for the lower bound of the costs savings estimates for PM A.4. When considering the upper bound of the costs savings estimates for PM A.4, the net benefits of PO 1.1 are estimated at EUR 317.91 million and of PO 1.2 at EUR 310.61 million, and the benefits to costs ratio 3.43 and 3.25, respectively.*

Table 66: One-off adjustment costs in the POs relative to the baseline scenario, in million EUR (2021 prices)

	Difference to the Baseline	
	PO 1.1	PO 1.2
Carriers		
One-off adjustment costs	10.73	15.99
PM A.2	10.21	10.21
PM A.4	0.52	0.52

PM A.6		5.26
Terminal operators		
One-off adjustment costs	1.27	1.91
PM A.2	1.27	1.27
PM A.6		0.64
Intermediaries		
One-off adjustment costs	14.36	14.36
PM A.4	14.36	14.36

Source: PWC, TIS and Steer (2023), Impact assessment support study

Table 67: Recurrent and one-off costs for carriers in the POs, in 2025, 2030 and 2050 relative to the baseline scenario, in million EUR (2021 prices)

	Difference to the Baseline					
	PO 1.1			PO 1.2		
	2025	2030	2050	2025	2030	2050
Administrative costs	5.05	5.05	5.05	5.05	5.05	5.05
PM A.2	5.05	5.05	5.05	5.05	5.05	5.05
Adjustment costs	10.73	0.00	0.00	15.99	0.00	0.00
PM A.2	10.21			10.21		
PM A.4	0.52			0.52		
PM A.6				5.26		
Net costs	15.79	5.05	5.05	21.05	5.05	5.05

Source: PWC, TIS and Steer (2023), Impact assessment support study

Table 68: Recurrent and one-off costs for terminal operators in the POs, in 2025, 2030 and 2050 relative to the baseline scenario, in million EUR (2021 prices)

	Difference to the Baseline					
	PO 1.1			PO 1.2		
	2025	2030	2050	2025	2030	2050
Administrative costs	0.13	0.13	0.13	0.13	0.13	0.13
PM A.2	0.13	0.13	0.13	0.13	0.13	0.13
Adjustment costs	1.27	0.00	0.00	1.91	0.00	0.00
PM A.2	1.27			1.27		
PM A.6				0.64		
Net costs	1.40	0.13	0.13	2.04	0.13	0.13

Source: PWC, TIS and Steer (2023), Impact assessment support study

Table 69: Recurrent and one-off costs for intermediaries in the POs, in 2025, 2030 and 2050 relative to the baseline scenario, in million EUR (2021 prices)

	Difference to the Baseline					
	PO 1.1			PO 1.2		
	2025	2030	2050	2025	2030	2050
Adjustment costs	14.36	0.00	0.00	14.36	0.00	0.00
PM A.4	14.36			14.36		
Net costs	14.36	0.00	0.00	14.36	0.00	0.00

Source: PWC, TIS and Steer (2023), Impact assessment support study

Table 70: Recurrent costs and costs savings for public authorities in the POs, in 2025, 2030 and 2050 relative to the baseline scenario, in million EUR (2021 prices)

	Difference to the Baseline					
	PO 1.1			PO 1.2		
	2025	2030	2050	2025	2030	2050
Adjustment costs	0.02	0.00	0.00	0.02	0.00	0.00
PM A.7	0.02			0.02		
Administrative costs	0.00	0.00	0.00	0.08	0.08	0.08
PM A.5				0.08	0.08	0.08
Enforcement costs	0.39	0.39	0.39	0.39	0.39	0.39
PM A.2	0.28	0.28	0.28	0.28	0.28	0.28
PM A.3	0.11	0.11	0.11	0.11	0.11	0.11
Enforcement costs savings	0.32	0.32	0.32	0.32	0.32	0.32
PM A.2	0.08	0.08	0.08	0.08	0.08	0.08
PM A.4	0.08	0.08	0.08	0.08	0.08	0.08
PM A.7	0.16	0.16	0.16	0.16	0.16	0.16
Net costs	0.07	0.07	0.07	0.15	0.15	0.15

Source: PWC, TIS and Steer (2023), Impact assessment support study

Table 71: Loss of revenues for claim agencies in the POs, in 2025, 2030 and 2050 relative to the baseline scenario, in million EUR (2021 prices)

	Difference to the Baseline					
	PO 1.1			PO 1.2		
	2025	2030	2050	2025	2030	2050
Loss of revenues	0.09	0.09	0.09	0.09	0.09	0.09
PM A.7	0.09	0.09	0.09	0.09	0.09	0.09

Source: PWC, TIS and Steer (2023), Impact assessment support study

Table 72: Benefits for consumers in the POs, in 2025, 2030 and 2050 relative to the baseline scenario, in million EUR (2021 prices)

	Difference to the Baseline					
	PO 1.1			PO 1.2		
	2025	2030	2050	2025	2030	2050
Hassle costs savings	6.80	7.52	9.44	6.80	7.52	9.44
PM A.4*	6.71	7.43	9.35	6.71	7.43	9.35
Other benefits for consumers						
PM A.7	0.09	0.09	0.09	0.09	0.09	0.09

*Source: PWC, TIS and Steer (2023), Impact assessment support study; Note: * stands for the lower bound of the costs savings estimates.*

3.2. Problem area 2 - Protection of passengers performing multimodal journeys

It is important note that the multimodal sector is still an incipient industry with only few operators competing in the market. Although it is expected to grow in the next decades, the small scale of the multimodal market in relation to other well-established markets such as air, bus and coach and rail transport enhances the uncertainty of the projections. Moreover, ticket vendors act as third-party intermediaries that combine individual tickets from different transport modes into a single ticket, i.e. a multimodal ticket, allowing consumers to travel from one mode to another without purchasing separate tickets each time. However, it is worth noting that these ticket vendor intermediaries that sell the multimodal tickets are often not the actual carriers that will provide the service, even though all operators need to be informed or communicate about multimodal connections and repercussions on passenger rights. Thus, commercial agreements between carriers need to be established. In order to establish a resilient passenger rights framework for multimodal market, investment needs to take place to inform the whole value chain.

PM B.1: Industry stakeholders shall provide guidance to passengers on minimum connecting times and other useful information when switching between modes of transport (category A+B+C)

Under PM B.1 carriers, ticket vendors/tour operators and terminal operators have to provide essential pre-purchase information to multimodal passengers on the type of multimodal tickets (single contract of carriage or integrated separate tickets), time schedules, available connections and tariffs, and the accessibility of services and terminals for PRM. This measure, which would apply to all multimodal passengers (category A+B+C) is similar to what is already required under Article 9 and Annex II of Regulation (EU) 2021/782 on rail.

Adjustment costs for carriers, terminal operators and intermediaries

According to evidence from the targeted stakeholder consultation, carriers, ticket vendors/tour operators and terminal operators would incur one-off adjustment costs to provide information on minimum connecting times when switching between modes of transport, as they would have to adapt their websites and booking process systems in order to comply with PM B.1. Recurrent costs for periodically updating the relevant information are expected to be marginal and not further estimated.

Stakeholders provided no quantitative estimates regarding the economic impacts of this measure during the stakeholder consultation, but it was stated that the measure would have minimum impact on costs. Hence, it has been assumed that 2 working days would be necessary on one-off basis per stakeholder to update both their communication systems and websites to comply with PM B.1.

To estimate the number of bus and coach, rail, air and waterborne carriers affected by this measure, due to the lack of data, the share of multimodal passengers travelling by each transport mode has been used. For air, it is estimated that 90% of air carriers already implement this measure. It has been additionally assumed, that 0.1% of the total number of intermediaries[254] would be affected by the measure.

Table 73: Number of carriers, terminal operators and intermediaries affected by PM B.1

Multimodal Stakeholders	Total	Share of Multimodal (%)	Multimodal operators affected
Number of bus and coach carriers	3,778	4.6%	173
Number of rail carriers	283	24.4%	69
Number of air carriers	149	7.5%	2[255]
Number of waterborne carriers	523	1.0%	6
Number of intermediaries	123,000	0.1%	123
Number of multimodal terminal operators	424	100%	424
Total, of which			**797**
SMEs			**269**

Source: PWC, TIS and Steer (2023), Impact assessment support study

Assuming an hourly worker's wage corresponding to ISCO 3 (technicians and associate professionals) and 7.5 working hours per day, the total one-off adjustment costs are estimated at EUR 372,092 in 2025, relative to the baseline, of which EUR 125,587 for SMEs.

Table 74: One-off adjustment costs for carriers, terminal operators and intermediaries due to PM B.1

[254] https://www.ectaa.org/en/about-our-industry.

[255] It is estimated that 90% of air carriers already implement this measure.

ISCO 3 Technicians and associate professionals hourly wage (EUR per hour in 2021 prices)	31.1
Working days to implement the changes	2
Workday in hours	7.5
Number of stakeholders affected	797
One-off adjustment costs in 2025 (EUR, in 2021 prices), of which	**372,092**
of which, for:	
Carriers	116,717
Multimodal terminal operators	197,951
Intermediaries	57,425
of which, for SMEs:	125,587
Carriers	70,964
Intermediaries	54,623

Source: PWC, TIS and Steer (2023), Impact assessment support study.

Benefits to consumers and passengers

Policy measure B.1 seeks to provide clear guidance to passengers on minimum connecting times and communicating information to passengers when switching between transport modes, for example on the accessibility of transport infrastructure. Improving the information available will allow consumers to make better informed decisions about their travel plans by enabling them to anticipate the connecting time between transport services or the access of certain transport infrastructure. Additionally, by implementing guidance on minimum connection times and providing information when switching between modes of transport, PM B.1 would reduce the risk of missed connections, thereby benefiting consumers and passengers by minimising the need to purchase a second ticket.

PM B.2: Carriers and ticket vendors/tour operators (except SMEs) to provide real-time information to passengers (category A+B)

In PM B.2, carriers and ticket vendors/tour operators have to provide real-time information to passengers on disruptions, possible next connections and security alerts during the journey, where technically feasible. This measure, which would apply to multimodal passengers having a single contact of carriage (category A), and those having separate tickets for a multimodal journey which are combined and sold in one commercial transaction by a ticket vendor/tour operator (category B), is similar to what is already required under Article 9, 10, 20(6), Annex II and Annex III of Regulation (EU) 2021/782. SMEs would be exempted from this measure.

In order to provide real-time information to passengers, both transport carriers and intermediary ticket vendors who participated in the target survey pointed out that the data must be readily available. In addition, intermediary ticket vendors mentioned that a widely interoperable standardised format across the stakeholders involved is necessary. The technology is not considered as barrier, as air carriers already provide some sort of information on disruptions of their services when they are in the same booking system[256].

[256] According to desk research, large airlines already provide some sort of information to passengers on disruptions. This is also in line with the evidence provided by airlines as part of the CPC's coordinated action on airlines'

Adjustment costs for carriers and intermediaries

Only one rail carrier provided an estimation of one-off costs for PM B.2, ranging from EUR 500,000 to 5,000,000[257] per company, to implement real-time information provisions and integrate communication systems to multimodal passengers[258]. For estimating the costs of PM B.2, the lower bound (EUR 500,000 per company) has been used to ensure no overlap with costs associated to data infrastructure and management, as well as access to Application Programming Interface.

Rail carriers are assumed to have already implemented the necessary systems to provide real-time information to passengers under the baseline[259]. In addition, it is estimated that 90% of air carriers in the EU offering multimodal services already provide such information to passengers. It should also be noted that SMEs are exempted from this measure. Thus, a total of 35 carriers and intermediaries (29 carriers and 6 intermediaries) are expected to be affected by this measure.

Table 75: Number of carriers and intermediaries affected by PM B.2

Multimodal Stakeholders	Multimodal operators affected, excluding SMEs
Number of bus and coach carriers	26
Number of air carriers	2
Number of waterborne carriers	1
Number of intermediaries	6
Total	**35**

Source: PWC, TIS and Steer (2023), Impact assessment support study

Thus, the one-off adjustment costs for carriers and intermediaries are estimated at EUR 17.5 million in 2025 relative to the baseline (EUR 14.5 million for carriers and EUR 3 million for intermediaries). No impacts on SMEs are estimated for this measure, which are exempted.

Table 76: One-off adjustment costs for carriers and intermediaries due to PM B.2

Cost per company (EUR)	500,000
Number of carriers affected	29
Number of intermediaries affected	6
One-off adjustment costs in 2025 (EUR, in 2021 prices), of which for:	**17,500,000**
Carriers	14,500,000
Intermediaries	3,000,000
of which, for SMEs	0

COVID-19 related cancellation practices, in 2022. Therefore, it has been assumed that only a small number of air carriers do not yet provide such information to passengers.

[257] The Czech rail operator mentioned in the targeted survey that the costs could range between EUR 500,000 to EUR 5,000,000 for changes in software/IT.

[258] The one-off adjustment costs due to PM B.2 serve a broader scope than pure information reporting. By implementing real-time information provisions and integrating communication systems to multimodal passengers, their aim is to enable better services for multimodal passengers in case of disruptions and delays. For this reason, the one-off costs have been classified as adjustment costs rather than administrative costs.

[259] In accordance with Article 9 of Regulation (EU) 2021/782 of the European Parliament and of the Council on rail passengers' rights and obligations.

Source: PWC, TIS and Steer (2023), Impact assessment support study

Administrative costs for carriers and intermediaries

Carriers and intermediaries are also expected to incur recurrent administrative costs related to the maintenance and operation of the real-time information system to passengers on disruptions. The effort is estimated at 1 working day. Assuming an hourly worker's wage corresponding to ISCO 3 (technicians and associate professionals) and 7.5 working hours per day, the recurrent administrative costs per year are estimated at EUR 8,170. Expressed as present value over 2025-2050, total recurrent administrative costs for carriers and intermediaries are estimated at EUR 150,438 relative to the baseline.

Table 77: Recurrent administrative costs for carriers and intermediaries due to PM B.2

ISCO 3 Technicians and associate professionals hourly wage (EUR per hour in 2021 prices)	31.1
Working days to implement changes	0.5
Workday (in hours)	7.5
Number of carriers affected	29
Number of intermediaries affected	6
Recurrent administrative costs per year (EUR), of which for:	**8,170**
Carriers	6,770
Intermediaries	1,401
Recurrent administrative costs, expressed as present value over 2025-2050 (EUR), of which:	**150,438**
Carriers	124,649
Intermediaries	25,789
of which, for SMEs	0

Source: PWC, TIS and Steer (2023), Impact assessment support study

Enforcement costs for public authorities

To estimate enforcement costs for monitoring stakeholders' compliance with PM B.2, the information retrieved from the ex-post evaluation of the ITS Directive 2010/40/EU[260] has been used as a proxy. As SMEs would be exempted of this measure and rail carriers and 90% of air carriers already implement the system in the baseline, the monitoring effort is expected to be lower than estimated in the ex-post evaluation of the ITS Directive. The share of intermediaries and carriers that are subject to this measure in the total number of multimodal intermediaries and carriers (9.2%) has been used as a proxy to calculate the recurrent enforcement costs per Member State, estimated at EUR 3,881 per year. Total recurrent enforcement costs are thus estimated at EUR 104,800 per year, or EUR 1.9 million expressed as present value over 2025-2050.

Table 78: Enforcement costs due to PM B.2 for public authorities for monitoring activities

[260] Support study for the ex-post evaluation of the ITS Directive 2010/40/EU – Contract number MOVE/B4/SER/2016-237/SI2.760668.

Recurrent enforcement costs per MS, per year (EUR, in 2021 prices)	3,881
Number of MS	27
Total recurrent enforcement costs per year (EUR)	**104,800**
Ongoing costs expressed as present value for 2025-2050	**1,929,695**

Source: PWC, TIS and Steer (2023), Impact assessment support study

PM B.3a: Right to pre-purchase information, right to reimbursement or re-routing, right to care and right to PRM assistance for passengers having a single contract of carriage (category A)

In PM B.3a, carriers and intermediaries have to ensure that passengers travelling on single contracts of carriage for a multimodal journey enjoy a set of rights that already apply when travelling within a single mode of transport on the basis of the existing Regulations (air, rail, bus and coach, and waterborne), namely a right to pre-purchase information, a right to reimbursement or re-routing and a right to care in the event of a missed connection, as well as a right to non-discriminatory transport contract conditions and free assistance for PRM.

One-off adjustment costs for carriers and intermediaries to provide pre-purchase information about the type of multimodal ticket

In the targeted survey, stakeholders argued that to provide pre-purchase information about the type of multimodal ticket an update in the communication systems is needed. It is estimated that 2 working days on one-off basis are needed, working 7.5 hours per day.

The market share of multimodal tickets of category A has been used to estimate the number of carriers and intermediaries affected (138). It is noteworthy that ticket category A does not encompass air transport.

Table 79: Number of carriers and intermediaries affected by PM B.3a

Multimodal Stakeholders	Total	Share of Multimodal (%)	Multimodal operators affected
Number of bus and coach carriers	3,778	0.2%	9
Number of rail carriers	283	1.2%	3
Number of waterborne carriers	523	0.5%	3
Number of intermediaries	123,000	0.1%	123
Total, of which			**138**
SMEs			**128**

Source: PWC, TIS and Steer (2023), Impact assessment support study

The one-off adjustment costs for carriers and intermediaries are estimated at EUR 64,428 in 2025, relative to the baseline, of which EUR 59,759 for SMEs.

Table 80: One-off adjustment costs for carriers and intermediaries to provide pre-purchase information about the type of multimodal ticket, due to PM B.3a

ISCO 3 Technicians and associate professionals hourly wage (EUR per hour in 2021 prices)	31.1

Working days to implement changes	2
Workday (in hours)	7.5
Number of carriers and intermediaries affected	138
One-off adjustment costs in 2025 (EUR, in 2021 prices), of which:	**64,428**
Carriers	7,003
Intermediaries	57,425
of which for SMEs:	59,759
Carriers	5,136
Intermediaries	54,623

Source: PWC, TIS and Steer (2023), Impact assessment support study

It is important to highlight that separate assistance for PRMs is already provided in most modes of transport individually and thus the costs associated to it are part of the baseline.

Adjustment costs for carriers to provide full reimbursement or re-routing and right to care to category A multimodal tickets

In order to estimate the adjustment costs for carriers to provide full reimbursement or re-routing, as well as to provide care to the passengers holding a category A multimodal ticket[261], the number of bus and coach and rail passengers holding category A multimodal tickets has been first estimated. Considering the marginal share of waterborne transport in multimodal journeys, the costs for waterborne transport have not been estimated.

The category A multimodal tickets represents only 5% of the total multimodal tickets sold[262], and their share is assumed to remain constant over time. Considering the number of multimodal passengers projected in the baseline and the share of category A multimodal tickets, the projected number of category A multimodal tickets is provided in the table below.

The costs related to reimbursement/ re-routing are estimated based on the number of category A multimodal tickets, the share of delayed passengers and the average fare per passenger from the baseline scenario (see section 2.2 of Annex 4). Concerning the *right to care*, the costs have been derived as a share of the reimbursement/ re-routing costs, drawing on the Steer study on the Evaluation of Regulation (EU) No 181/2011 on the rights of passengers travelling by bus and coach. The same share has been used for rail, in lack of data. The total adjustment costs for bus and coach and rail carriers, for 2025, 2030, 2040 and 2050 relative to the baseline are provided in the table below. Expressed as present value over 2025-2050, the costs are estimated at EUR 20.1 million (EUR 11.5 million for bus and coach carriers and EUR 8.6 million for rail), of which EUR 9.8 million for SMEs.

Table 81: Recurrent adjustment costs for carriers to provide full reimbursement or re-routing and right to care to category A multimodal tickets, due to PM B.3a, relative to the baseline

	2025	2030	2040	2050
Bus and coach				

[261] Category A tickets: single contracts of carriage offered by carriers (or by ticket vendors on behalf of carriers), with the carrier acting as a party to the transport contract with the passenger and guaranteeing, usually in its terms and conditions of carriage, more comprehensive protection including journey continuation in case of missed connections when changing modes – the tickets under consideration include combinations between rail, bus and coach and waterborne travel (but not **air legs**).

[262] EY (2019), Exploratory study on passenger rights in the multimodal context.

	2025	2030	2040	2050
Number of category A multimodal tickets	158,463	203,415	243,453	304,251
Share of passengers delayed (%)	4.4%	4.4%	4.4%	4.4%
Total adjustment costs (EUR), of which:	427,556	545,186	682,460	845,241
Reimbursement/ re-routing costs (EUR)	280,768	358,014	448,159	555,055
Care costs (EUR)	146,788	187,172	234,301	290,187
Rail				
Number of category A multimodal tickets	134,354	150,762	199,604	240,640
Share of passengers delayed (%)	8.8%	8.8%	7.5%	6.3%
Total adjustment costs (EUR), of which:	395,346	444,592	493,366	486,512
Reimbursement/ re-routing costs (EUR)	262,725	294,947	326,473	321,380
Care costs (EUR)	132,621	149,646	166,893	165,132
Total adjustment costs (EUR), of which:	**822,902**	**989,779**	**1,175,827**	**1,331,753**
Reimbursement/ re-routing costs (EUR)	543,494	652,961	774,632	876,434
Care costs (EUR)	279,408	336,818	401,194	455,319
of which, costs for SMEs	363,423	463,408	580,091	718,455

Source: PWC, TIS and Steer (2023), Impact assessment support study

Enforcement costs for public authorities

Based on the information provided by one national authority (the Netherlands) that approximately EUR 20,000 per year should be necessary to monitor these activities, the total recurrent enforcement costs per year at EU level have been estimated at EUR 540,000. Expressed as present value over 2025-2050, this is equivalent to EUR 9.9 million.

Table 82: Recurrent enforcement costs due to PM B.3a for public authorities for monitoring activities

Cost per Member State (EUR)	20,000
Number of Member States affected	27
Total recurrent enforcement costs per year (EUR)	**540,000**
Total recurrent enforcement costs, expressed as present value over 2025-2050 (EUR)	**9,943,100**

Source: PWC, TIS and Steer (2023), Impact assessment support study

Benefit for consumers (due to the right to reimbursement/ re-routing and the right to care)

PM B.3a would benefit multimodal passengers that hold a single contract of carriage for a multimodal journey (category A), that are projected to go up from around 293 thousand in 2025 to 545 thousand by 2050. The category A multimodal tickets represents 5% of the total multimodal tickets sold[263]. Under PM B.3a, multimodal passengers will benefit from the i) *right to reimbursement/re-routing* and ii) *right to care*, which will lead to cost savings for passengers who would otherwise incur some of the costs themselves. These elements are perceived as the most important rights for passengers (41.7% of passengers considered receiving "alternative transport" as the most relevant, while 39.6% consider the right to care and 34.7% of the respondents believe that the right of reimbursement is the most important passenger's right[264]).

The benefits related to *reimbursement/ re-routing* are estimated based on the number of category A multimodal tickets, the share of delayed passengers and the average fare per passenger from the baseline scenario (see section 2.2 of Annex 4). Concerning the *right to care*, the benefits have been derived as a share of the reimbursement/ re-routing benefits, drawing on

[263] EY (2019), Exploratory study on passenger rights in the multimodal context.
[264] European Court of Auditors, ECA statistical passenger survey, 2018.

the Steer study on the Evaluation of Regulation (EU) No 181/2011 on the rights of passengers travelling by bus and coach. The same share has been used for rail, in lack of data. The total benefits for bus and coach passengers, for 2025, 2030, 2040 and 2050 relative to the baseline are provided in the table below. Expressed as present value over 2025-2050, the benefits are estimated at EUR 20.1 million (EUR 11.5 million for bus and coach passengers and EUR 8.6 million for rail passengers).

Table 83: Passengers holding multimodal products based on single contracts of service (ticket category A) and benefits due to the right to reimbursement/ re-routing and the right to care in 2025, 2030, 2040 and 2050 relative to the baseline

	2025	2030	2040	2050
Bus and coach				
Number of category A multimodal tickets	158,463	203,415	243,453	304,251
Total benefits (EUR), of which for:	427,556	545,186	682,460	845,241
Reimbursement/ re-routing (EUR)	280,768	358,014	448,159	555,055
Care (EUR)	146,788	187,172	234,301	290,187
Rail				
Number of category A multimodal tickets	134,354	150,762	199,604	240,640
Total benefits (EUR), of which for:	395,346	444,592	493,366	486,512
Reimbursement/ re-routing (EUR)	262,725	294,947	326,473	321,380
Care (EUR)	132,621	149,646	166,893	165,132
Total bus and coach, and rail				
Number of category A multimodal tickets	292,817	354,176	443,058	544,891
Total benefits (EUR), of which for:	822,902	989,779	1,175,827	1,331,753
Reimbursement/ re-routing (EUR)	543,494	652,961	774,632	876,434
Care (EUR)	279,408	336,818	401,194	455,319

Source: PWC, TIS and Steer (2023), Impact assessment support study

Table 84: Total benefits to consumers due to the right to reimbursement/ re-routing and the right to care in PM B.3a, expressed as present value over 2025-2050 relative to the baseline (EUR, in 2021 prices)

Total benefits for passengers due to additional rights for reimbursement/rerouting in multimodal journeys in ticket category A passengers (EUR)	*Bus and Coach*	7,563,870
	Rail	5,677,239
Total benefits for passengers due to additional rights for care in multimodal journeys in ticket category A passengers (EUR)	*Bus and Coach*	3,954,444
	Rail	2,892,936

Source: PWC, TIS and Steer (2023), Impact assessment support study

Benefit for consumers (hassle costs savings)

In the baseline scenario, PRMs travelling under category A multimodal tickets are estimated to wait a maximum of 60 minutes to receive assistance to be arranged[265]. On the other hand, quality parameters for assistance to PRMs are established for air transport[266]. More specifically:

- For waiting times for arriving and registered PRM passengers at the gate or aircraft:
  - For 80% of passengers, the waiting time for assistance must not exceed 5 minutes;

[265] Considering that according to the revised Rail Passenger Rights Regulation, the transport operator may request the passenger to be at the station maximum 60 minutes before the departure of the train in order to receive assistance.

[266] In accordance with the European Civil Aviation Conference's (ECAC) Doc 30- Annex J- "Code of Good Conduct", available at: https://www.ecac-ceac.org/images/documents/ECAC-Doc_30_Part_1_12th_edition_May_2018_Amendment_4_Nov_2020.pdf.

- 90% of passengers must wait no longer than 10 minutes for assistance;
- 100% of passengers must be picked up within 20 minutes;

- For waiting time for arriving and unannounced PRM passengers at the gate or aircraft:
  - For 80% of passengers, the waiting time for assistance must not exceed 25 minutes;
  - For 90% of passengers, the waiting time for assistance must not exceed 35 minutes;
  - 100% of passengers must be picked up within 45 minutes.

Considering that the right to PRM assistance for PRM passengers travelling under category A multimodal tickets will ensure that similar time thresholds are met as for air transport, PRMs may save 40 to 60 minutes per multimodal journey when arranging assistance (taking into account that 100% of passengers must be picked up within 20 minutes) compared to the baseline where no such rights are foreseen. This right is foreseen for PRM passengers travelling under category A multimodal tickets, regardless of whether they are travelling through a multimodal passenger hub.

Considering the total number of PRMs requests for long-distance bus and coach journeys and for rail and waterborne journeys, the share of multimodal market and the fact that 5% of multimodal passengers hold category A multimodal tickets, the number of PRM requests affected is estimated at 37,020 in 2025, 47,723 in 2030 and 109,312 in 2050 relative to the baseline. As explained, the time saved per PRM request is estimated at 40 (lower bound) to 60 (upper bound) minutes. Using the consumer value of time estimated at EUR 22.7 per hour[267] in 2021 prices, the hassle costs savings for PRMs are provided in the table below. Per PRM request, they are estimated at EUR 15.1 to 22.7. Expressed as present value over 2025-2050, hassle costs savings for PRMs due to PM B.3a are estimated at EUR 18.6 to 27.9 million relative to the baseline.

Table 85: Hassle costs savings for consumers due to PM B.3a relative to the baseline

	2025	2030	2040	2050
Number of PRM requests affected	37,020	47,723	78,379	109,312
Consumers value of time (EUR)	22.7	22.7	22.7	22.7
Hassle costs savings (EUR)				
Lower bound estimate	560,305	722,289	1,186,264	1,654,436
Upper bound estimate	840,458	1,083,433	1,779,396	2,481,654

Source: PWC, TIS and Steer (2023), Impact assessment support study

PM B.3b: Enhanced package of rights for passengers holding a single contract of carriage (category A) (i.e. same rights as under PM B.3a + right to conclude an alternative contract)

In PM B.3b, carriers have to ensure that, on top of the rights proposed under PM B.3a, passengers have a right to conclude an alternative contract where a carrier does not make provision for the continuation of a passenger's journey ("right to self re-routing"). This measure is similar to what is already required under Article 18(3) of Regulation (EU) 2021/782.

[267] Source: https://www.eurocontrol.int/sites/default/files/publication/files/standard-input-for-eurocontrol-cost-benefit-analyses-2018-edition-8-version-2.6.pdf.

One-off adjustment costs for carriers and intermediaries to provide pre-purchase information about the type of multimodal ticket

These costs are the same as those under PM B3.a. The one-off adjustment costs for carriers and intermediaries in 2025 are estimated at EUR 64,428 in 2025, relative to the baseline, of which EUR 59,759 for SMEs.

Adjustment costs for carriers to provide full i) reimbursement or re-routing, ii) care and iii) alternative contract to category a) multimodal ticket

The calculations of the costs for carriers to provide full reimbursement /re-routing and the right to care are the same as those under PM B.3a. The costs related to reimbursement/ re-routing are estimated based on the number of category A multimodal tickets, and the share of delayed passengers and the average fare per passenger from the baseline scenario (see section 2.2 of Annex 4). Concerning the *right to care*, the costs have been derived as a share of the reimbursement/ re-routing costs, drawing on the Steer study on the Evaluation of Regulation (EU) No 181/2011 on the rights of passengers travelling by bus and coach. The same share has been used for rail, in lack of data.

However, under PM B.3b, to incorporate the costs associated with the option to conclude an *alternative contract*, the average bus and coach ticket fare has been assumed to be 10% higher than in the baseline scenario and the average rail ticket fare 30% higher than in the baselilne scenario. This reflects the additional cost of last-minute ticket fares and it is based on the average ticket price observed for last-minute ticket fares, as determined through desk research analysis in the context of the impact assessment support study.

The total adjustment costs for bus and coach and rail carriers, for 2025, 2030, 2040 and 2050 relative to the baseline are provided in the table below. Expressed as present value over 2025-2050, the costs are estimated at EUR 23.8 million (EUR 12.7 million for bus and coach carriers and EUR 11.1 million for rail), of which EUR 10.8 million for SMEs.

Table 86: Recurrent adjustment costs for carriers to provide full reimbursement or re-routing and right to care + the right to conclude an alternative contract to category A multimodal tickets, due to PM B.3b, relative to the baseline

	2025	2030	2040	2050
Bus and coach				
Number of category A multimodal tickets	158,463	203,415	243,453	304,251
Share of passengers delayed by more than 90 minutes (%)	4.4%	4.4%	4.4%	4.4%
Total adjustment costs (EUR), of which:	442,235	563,904	705,890	874,260
Reimbursement/ re-routing costs (EUR)	280,768	358,014	448,159	555,055
Care costs (EUR)	161,466	205,890	257,731	319,205
Rail				
Number of category A multimodal tickets	134,354	150,762	199,604	240,640
Share of passengers delayed by more than 90 minutes (%)	8.8%	8.8%	7.5%	6.3%
Total adjustment costs (EUR), of which:	435,132	489,486	543,434	536,051
Reimbursement/ re-routing costs (EUR)	262,725	294,947	326,473	321,380
Care costs (EUR)	172,407	194,539	216,961	214,672
Total adjustment costs (EUR), of which:	**877,367**	**1,053,390**	**1,249,325**	**1,410,311**
Reimbursement/ re-routing costs (EUR)	543,494	652,961	774,632	876,434
Care costs (EUR)	333,873	400,429	474,692	533,877
of which, costs for SMEs	375,900	479,318	600,007	743,121

Source: PWC, TIS and Steer (2023), Impact assessment support study

Some recurrent adjustment costs associated to business-to-business negotiations, contract agreements and business-to-business compensation mechanisms are also expected. The latter refers to the reimbursement costs that result from the passengers concluding an alternative contract and the carrier seeking to redress such cost to the other transport operators linked to the single multimodal contract. However, due to the lack of data on the costs of establishing such negotiations and agreements – as well as the fact that they depend on the various carrier alliances already in place, it was not possible to estimate such costs. Nevertheless, it is expected that a share of these costs are already embedded into the ticket fares used for the calculations of the recurrent adjustment costs above.

One-off adjustment costs for carriers and intermediaries concerning the right to conclude an alternative contract where a carrier does not make provision for the continuation of a passenger's journey within a defined time limit

The key distinguishing element of this measure relative to PM B.3a is the *right to conclude an alternative contract where a carrier does not make provision for the continuation of a passenger's journey within a defined time limit*.

The recurrent costs associated with the right to conclude an alternative contract have already been included in the section above. However, this measure is also expected to lead to one-off adjustment costs for carriers and intermediaries for informing the passengers about the right to conclude an alternative contract where a carrier does not make provision for the continuation of a passenger's journey within a defined time limit, as well as for updating their IT systems. The one-off adjustment costs have been assessed to be similar to those for providing pre-purchase information about the type of multimodal ticket, at EUR 64,428 in 2025 relative to the baseline.

Table 87: One-off costs for carriers and intermediaries for informing passengers on the right to conclude an alternative contract where a carrier does not make provision for the continuation of a passenger's journey within a defined time limit, due to due to PM B.3b relative to the baseline

ISCO 3 Technicians and associate professionals hourly wage (EUR per hour in 2021 prices)	31.1
Working days to implement changes	2
Workday (in hours)	7.5
Number of carriers and intermediaries affected	138
One-off adjustment costs in 2025 (EUR, in 2021 prices), of which:	**64,428**
Carriers	7,003
Intermediaries	57,425
of which for SMEs:	59,759
Carriers	5,136
Intermediaries	54,623

Source: PWC, TIS and Steer (2023), Impact assessment support study

Enforcement costs for public authorities

Recurrent enforcement costs for public authorities are the same with those under PM B.3a. They are estimated at EUR 540,000 per year from 2025 onwards. Expressed as present value over 2025-2050, this is equivalent to EUR 9.9 million.

Benefit for consumers (due to the right to reimbursement/ re-routing and the right to care)

Under policy measure B.3b, similarly to PM B.3a, multimodal passengers will benefit from the i) *right to reimbursement/re-routing* and ii) *right to care*. In addition, they will also benefit of the provision for consumers to conclude an alternative contract. The benefits of this right for consumers and passengers were taken into account in the calculations for the provision for reimbursement and re-routing and are presented below. To reflect the benefits associated with the option to conclude an *alternative contract*, the average bus and coach ticket fare has been assumed to be 10% higher than in the baseline scenario and the average rail ticket fare 30% higher than in the baselilne scenario. This allows to cover the additional cost of last-minute ticket fares. The assumptions are based on the average ticket prices observed for last-minute ticket fares, as determined through desk research analysis in the context of the impact assessment support study.

The total benefits for bus and coach passengers, for 2025, 2030, 2040 and 2050 relative to the baseline are provided in the table below. Expressed as present value over 2025-2050, the benefits are estimated at EUR 23.8 million (EUR 12.7 million for bus and coach passengers and EUR 11.1 million for rail passengers).

Table 88: Passengers holding multimodal products based on single contracts of service (ticket category A) and benefits due to the right to reimbursement/ re-routing and the right to care in 2025, 2030, 2040 and 2050 in PM B.3b relative to the baseline

	2025	2030	2040	2050
Bus and coach				
Number of category A multimodal tickets	158,463	203,415	243,453	304,251
Total benefits (EUR), of which for:	427,556	545,186	682,460	845,241
Reimbursement/ re-routing (EUR)	280,768	358,014	448,159	555,055
Care (EUR)	146,788	187,172	234,301	290,187
Rail				
Number of category A multimodal tickets	134,354	150,762	199,604	240,640
Total benefits (EUR), of which for:	395,346	444,592	493,366	486,512
Reimbursement/ re-routing (EUR)	262,725	294,947	326,473	321,380
Care (EUR)	132,621	149,646	166,893	165,132
Total bus and coach, and rail				
Number of category A multimodal tickets	292,817	354,176	443,058	544,891
Total benefits (EUR), of which for:	822,902	989,779	1,175,827	1,331,753
Reimbursement/ re-routing (EUR)	543,494	652,961	774,632	876,434
Care (EUR)	279,408	336,818	401,194	455,319

Source: PWC, TIS and Steer (2023), Impact assessment support study

Table 89: Total benefits for consumers due to the right to reimbursement/ re-routing and the right to care in PM B.3b, expressed as present value over 2025-2050 relative to the baseline (EUR, in 2021 prices)

Total cost-savings for consumers from PM B.3a (2021 prices)		
Total benefits for passengers due to additional rights for reimbursement/rerouting in multimodal journeys in ticket category A passengers, including the option to conclude an alternative contract (EUR)	*Bus and Coach*	8,320,257
	Rail	7,380,410
Total benefits for passengers due to additional rights for care in multimodal journeys in ticket category A passengers (EUR)	*Bus and Coach*	4,349,889
	Rail	3,760,817

Source: PWC, TIS and Steer (2023), Impact assessment support study

Benefit for consumers (hassle costs savings)

The hassle costs savings for consumers due to PM B.3b are the same as for PM B.3a. Considering that the right to PRM assistance for PRM passengers travelling under category A multimodal tickets will ensure that similar time thresholds are met as for air transport, PRMs may save 40 to 60 minutes per multimodal journey when arranging assistance (taking into account that 100% of passengers must be picked up within 20 minutes) compared to the baseline where no such rights are foreseen. This right is foreseen for PRM passengers travelling under category A multimodal tickets, regardless of whether they are travelling through a multimodal passenger hub.

Considering the total number of PRMs requests for long-distance bus and coach journeys and for rail and waterborne journeys, the share of multimodal market and the fact that 5% of multimodal passengers hold category A multimodal tickets, the number of PRM requests affected is estimated at 37,020 in 2025, 47,723 in 2030 and 109,312 in 2050 relative to the baseline. As explained, the time saved per PRM request is estimated at 40 (lower bound) to 60 (upper bound) minutes. Using the consumer value of time estimated at EUR 22.7 per hour[268] in 2021 prices, the hassle costs savings for PRMs are provided in the table below. Per PRM request, they are estimated at EUR 15.1 to 22.7. Expressed as present value over 2025-2050, hassle costs savings for PRMs due to PM B.3b are estimated at EUR 18.6 to 27.9 million relative to the baseline.

Table 90: Hassle costs savings for consumers due to PM B.3b relative to the baseline

	2025	2030	2040	2050
Number of PRM requests affected	37,020	47,723	78,379	109,312
Consumers value of time (EUR)	22.7	22.7	22.7	22.7
Hassle costs savings (EUR)				
Lower bound estimate	560,305	722,289	1,186,264	1,654,436
Upper bound estimate	840,458	1,083,433	1,779,396	2,481,654

Source: PWC, TIS and Steer (2023), Impact assessment support study

PM B.4a: Essential set of rights for passengers holding separate tickets (category B) (i.e. right to pre-purchase information + right to reimbursement and penalty of 75% from ticket vendor/tour operator, unless where passengers were properly informed of separate nature of the tickets)

In PM B.4a, ticket vendors and tour operators have to properly inform passengers where they bundle separate tickets for a multimodal journey and sell them in one commercial transaction to passengers. Where they do not provide information on the separate nature of the transport tickets, they would be liable to reimburse the passenger the entire amount paid for the separate tickets, together with a penalty of 75% of that amount, in the event where the passengers miss a connection during the multimodal journey. This measure is similar to what is already required for ticket vendors and tour operators under Article 12(4) and (5) of Regulation (EU) 2021/782.

Adjustment costs for carriers and intermediaries

Stakeholders that responded to the targeted survey argued that the implementation of the right to pre-purchase information in PM B.4a would entail an update in the communication systems.

[268] Source: https://www.eurocontrol.int/sites/default/files/publication/files/standard-input-for-eurocontrol-cost-benefit-analyses-2018-edition-8-version-2.6.pdf

The effort required has been estimated, similarly to PM B.3a, to 2 working days per carrier and intermediary on one-off basis.

The market share of multimodal tickets of category B has been used to estimate the number of carriers and intermediaries affected. In total, 371 carriers and intermediaries are estimated to be affected by this policy measure.

Table 91: Number of carriers and intermediaries affected by PM B.4a

Multimodal Stakeholders	Total	Share of Multimodal (%)	Multimodal operators Affected
Number of bus and coach operators	3,778	4.3%	165
Number of rail operators	283	23.2%	66
Number of air carriers	149	7.2%	11
Number of waterborne operators	523	1%	6
Number of intermediaries	123,000	0.1%	123
Total, of which:			**371**
SMEs			**263**

Source: PWC, TIS and Steer (2023), Impact assessment support study

The total one-off cost for carriers, ticket vendors and tour operators are estimated at EUR 173,207 in 2025, relative to the baseline, of which EUR 122,786 for SMEs.

Table 92: One-off adjustment costs for carriers and intermediaries due to PM B.4a

ISCO 3 Technicians and associate professionals hourly wage (EUR per hour in 2021 prices)	31.1
Working days to implement changes	2
Workday (in hours)	7.5
Number of carriers and intermediaries affected	371
One-off adjustment costs in 2025 (EUR, in 2021 prices), of which:	**173,207**
Carriers	115,783
Intermediaries	57,425
of which for SMEs:	122,786
Carriers	68,162
Intermediaries	54,623

Source: PWC, TIS and Steer (2023), Impact assessment support study

In addition, the proposed measure establishes that if the intermediary fails to inform passengers properly they would need to reimburse the total amount paid for the tickets plus a penalty equivalent to 75% of that amount. The proposed measure is expected to incentive multimodal operators to improve their communication process towards passengers, in order to reduce the likelihood of recurring to reimbursements and penalties. Given the uncertainty to establish the number of passengers affected, the costs cannot be quantified although they are expected to be limited.

Enforcement costs for national public authorities

Considering the synergies with other measures included in PO 2.2, namely PM B.3a, no additional monitoring costs for national public authorities are foreseen in PM B.4a.

PM B.4b: Enhanced rights for passengers holding separate tickets (category B) (i.e. same B.3b). The ticket vendor is liable to ensure these rights towards the passenger unless where passengers were properly informed of the separate nature of the tickets

In PM B.4b, ticket vendors and tour operators will have to provide passengers travelling on separate tickets (category B) the same rights that passengers having a single contract of carriage would enjoy under PM B.3b, unless where passengers were properly informed on the separate nature of tickets.

Adjustment costs for carriers and intermediaries for providing pre-purchase information about the type of multimodal ticket

To provide pre-purchase information about the type of multimodal ticket, similar one-off effort as for PM B.4a has been assumed to implement the necessary IT changes, namely 2 working days per carrier and intermediary on one-off basis.

Similarly to PM B.4a, the market share of multimodal tickets of category B has been used to estimate the number of carriers and intermediaries affected. In total, 371 carriers and intermediaries are estimated to be affected by this policy measure.

The total one-off cost for carriers, ticket vendors and tour operators are estimated at EUR 173,207 in 2025, relative to the baseline, of which EUR 122,786 for SMEs.

Table 93: One-off adjustment costs for carriers and intermediaries to provide pre-purchase information about the type of multimodal ticket due to PM B.4b

ISCO 3 Technicians and associate professionals hourly wage (EUR per hour in 2021 prices)	31.1
Working days to implement changes	2
Workday (in hours)	7.5
Number of carriers and intermediaries affected	371
One-off adjustment costs in 2025 (EUR, in 2021 prices), of which:	**173,207**
Carriers	115,783
Intermediaries	57,425
of which for SMEs:	122,786
Carriers	68,162
Intermediaries	54,623

Source: PWC, TIS and Steer (2023), Impact assessment support study

Adjustment costs for intermediary ticket vendors for improving the communication process to passengers regarding enhaced rights and Single Point of Contact

PM B.4b is expected to result in additional costs for intermediary ticket vendors compared to PM B.4a, due to the enhanced package of rights for passengers, which is expected to result in

additional one-off costs for adapting their IT systems to provide information to passengers regarding the Single Contact Point for PRMs.

Stakeholder evidence gathered during the targeted survey, showed that the changes required to the system would take around 2 working days. Assuming an hourly worker's wage corresponding to ISCO 3 (technicians and associate professionals) and 7.5 working hours per day, the total one-off adjustment costs for ticket vendors for improving the communication process to passengers regarding enhaced rights and Single Point of Contact are estimated at EUR 57,425 for the EU-27 in 2025 relative to the baseline, of which EUR 54,623 for SMEs.

Table 94: One-off adjustment costs for intermediary ticket vendors for improving the communication process to passengers better inform them about their rights and Single Point of Contact for RPM due to PM B.4b relative to the baseline

ISCO 3 Technicians and associate professionals hourly wage (EUR per hour in 2021 prices)	31.1
Working days to implement changes	2
Workday (in hours)	7.5
Number of stakeholders affected, of which:	123
SMEs	117
One-off adjustment costs in 2025 (EUR, in 2021 prices), of which for:	**57,425**
SMEs	**54,623**

Source: PWC, TIS and Steer (2023), Impact assessment support study

Hence, the total one-off adjustment costs for PM B.4b are estimated at EUR 230,632 (EUR 115,783 for carriers and EUR 114,849 for intermediaries), of which EUR 177,409 for SMEs.

Enforcement costs for public authorities

Considering the synergies with other measures included in PO 2.3, namely PM B.3b, no additional monitoring costs for national public authorities are foreseen in PM B.4b.

PM B.5: Terminal managers and carriers shall establish "Single Points of Contact" (SPC) for PRM at multimodal hubs (category A+B+C)

PM B.5 requires terminal managers and carriers operating via multimodal hubs at urban nodes to establish "Single Points of Contact" (SPC) to arrange the assistance for PRMs. The contact details of the SPC would be published on their websites. The SPC could be contacted by phone and via a dedicated online contact form, enabling PRMs to request assistance when they need to transfer between terminals to reach a connecting service provided by another transport mode. The SPC would communicate individual requests for assistance to other terminal managers and carriers involved in the journey, providing a "one stop shop" for the PRM. Notification would need to be provided at least 48 hours ahead of the journey. This measure is inspired by Article 24 (f) of Regulation (EU) 2021/782.

Adjustment costs for terminal managers to establish "Single Points of Contact" (SPC) to arrange assistance for passengers with disabilities or reduced mobility (PRMs)

To implement this policy measure, additional personnel would be needed to implement a "Single Point of Contact" (SPC) devoted to arranging the assistance of passengers with disabilities or reduced mobility (PRMs). Moreover, a central point which connects the already

existing request handling procedures for passenger assistance in each mode would have to be established as part of the SPC. Based on the targeted survey[269] the one-off costs to establish the SPC is estimated at EUR 50,000 per terminal, which includes EUR 10,000 to set up the system and EUR 40,000 for additional staff and infrastructure-related costs, and the recurrent adjustment costs to maintain the structure and staff at EUR 40,000 per terminal per year.

By channelling assistance requests from PRM travelling through core multimodal passenger hubs, the SPC would aim to mobilise the existing assistance means of terminal operators and carriers to assist PRM and create synergies between these assistance mechanisms. Indeed, the majority of multimodal terminal operators and carriers already have a PRM assistance system in place for individual modes[270]. Therefore, the additional one-off costs to set up the SPC would primarily involve business-to-business arrangements between transport operators and terminal operators, as well as minor infrastructure related costs.

The costs are assumed to be borne by one terminal manager per multimodal passenger hub (i.e. the multimodal terminal operator). Individual arrangements might be in place at specific Single Points of Contacts where carriers (and other terminal managers, if there are several at the hub) might also take up part of the costs, but this would depend on a case-by-case basis. Therefore, no cost estimate can be made for the latter.

As explained in section 2.2 of Annex 4, the number of multimodal terminal operators is estimated at 424, assuming the implementation of the proposal for the review of the TEN-T Regulation in the baseline scenario. Thus, 424 terminal operators are expected to be affected by the measure.

Table 95: Number of multimodal terminal operators affected by PM B.5

Multimodal Stakeholders	Multimodal operators Affected
Number of multimodal terminal operators affected	424

Source: PWC, TIS and Steer (2023), Impact assessment support study

The total one-off costs for multimodal terminal operators are estimated at EUR 4.2 million, relative to the baseline.

Table 96: One-off adjustment costs for multimodal terminal operators due to PM B.5

One-off costs per terminal operator for setting up the system (EUR)	10,000
Number of multimodal terminal operators	424
Total one-off adjustment costs (EUR)	**4,240,000**

Source: PWC, TIS and Steer (2023), Impact assessment support study

The recurrent adjustment costs for multimodal terminal operators, consisting in costs related to staff, are estimated based on stakeholders' feedback for the costs per year per terminal operator and the number of terminal operators. Total recurrent adjustment costs are estimated at EUR 17 million per year from 2025 onwards relative to the baseline. Expressed as present value over 2025-2050, the total adjustment costs are estimated at EUR 312.3 million.

Table 97: Recurrent adjustment costs for multimodal terminal operators due to PM B.5

[269] One carrier and umbrella organisations for other modes than air from Germany.
[270] Evidence from the targeted consultation shows that operators already have in system points of contact to provide assistance to PRMs, which it is indicated at the booking stage.

Recurrent costs per terminal operator per year (EUR)	40,000
Number of multimodal terminal operators	424
Recurrent adjustment costs per year (EUR, in 2021 prices)	**16,960,000**
Recurrent adjustment costs, expressed as present value over 2025-2050 (EUR, in 2021 prices)	**312,286,985**

Source: PWC, TIS and Steer (2023), Impact assessment support study

Hence, the total one-off and recurrent costs for multimodal terminal operators due to PM B.5 are estimated at EUR 316.5 million, expressed as present value for 2025-2050, of which one-off costs of EUR 4.2 million.

Enforcement costs for public authorities

Under PM B.5, the establishment of the SPC is expected to result in higher monitoring costs for public authorities. In the targeted survey, one national authority provided information suggesting additional annual expenses of approximately EUR 50,000 per year would be needed to carry out additional monitoring activities resulting from the establishment of the SPC. However, drawing a parallel with the German case, the proposed amendment to the German Railway Act[271] to align to Regulation (EU) 2021/872 on rail passenger rights establishes that 1.5 full-time equivalents (FTE) will be necessary to monitor additional 139 complaint measures from PRMs in rail transport following the establishment of a SPC for rail in Germany. The German case has been considered to reflect more closely the additional enforcement costs for establishing a SPC for multimodal transport. Drawing on the German case, 107 additional working hours per year per Member State have been assumed for PM B.5 for monitoring activities (i.e. 14 working days annually per MS) considering the ratio between the number of railway passengers and multimodal passengers and also the ratio between the number of PRM requests for rail and the number of PRM requests for multimodal transport as estimated under the baseline.

Overall, PM B.5 is expected to lead to total recurrent enforcement costs estimated at EUR 107,917 per year from 2025 onwards or EUR 2 million expressed as present value over 2025-2050.

Table 98: Recurrent enforcement costs for authorities due to PM B.5 for monitoring activities

Additional working hours per MS per year (on average)	107
ISCO 2 Professionals hourly wage (EUR per hour in 2021 prices)	37.5
Number of MS affected	27
Recurrent enforcement costs per year from 2025 onwards (EUR, in 2021 prices)	**107,917**
Recurrent enforcement costs, expressed as present value 2025-2050 (EUR, in 2021 prices)	**1,987,091**

Source: PWC, TIS and Steer (2023), Impact assessment support study

Benefits for consumers (hassle costs savings)

[271] Entwurf eines Gesetzes zur Anpassung des Allgemeinen Eisenbahngesetzes an die Verordnung (EU) 2021/782 des Europäischen Parlaments und des Rates vom 29. April 2021 über die Rechte und Pflichten der Fahrgäste im Eisenbahnverkehr.

This measure may bring additional benefits to passengers, especially PRMs. In the baseline, PRMs in multimodal journeys have to request assistance for each individual mode of transport they travel on, which typically takes 2-3 phone calls or online requests for assistance, depending on how many modes of transport the passenger is using in their multimodal journey. PM B.5 establishes a SPC for PRMs to request assistance, which would require a single call for assistance by PRMs.

Considering that PRMs make on average 2 phone calls to request assistance and that each of these calls takes on average 30 minutes, PRMs may save 30 to 60 minutes to request assistance in their multimodal journeys.

Considering the total number of PRMs requests for long-distance bus and coach journeys and for rail and waterborne journeys and the share of multimodal market, the number of PRM requests affected is estimated at 737,044 in 2025, 950,122 in 2030 and 2,176,299 in 2050 relative to the baseline. As explained, the time saved per PRM request is estimated at 30 (lower bound) to 60 (upper bound) minutes. Using the consumer value of time estimated at EUR 22.7 per hour[272] in 2021 prices, the hassle costs savings for PRMs are provided in the table below. Per PRM request, they are estimated at EUR 11.4 to 22.7. Expressed as present value over 2025-2050, hassle costs savings for PRMs due to PM B.5 are estimated at EUR 277.3 to 554.6 million relative to the baseline.

Table 99: Hassle costs savings for consumers due to PM B.5 relative to the baseline

	2025	2030	2040	2050
Number of PRM requests affected	737,044	950,122	1,560,451	2,176,299
Consumers value of time (EUR)	22.7	22.7	22.7	22.7
Hassle costs savings (EUR)				
Lower bound estimate	8,366,376	10,785,081	17,713,080	24,703,734
Upper bound estimate	16,732,752	18,601,523	35,426,161	49,407,467

Source: PWC, TIS and Steer (2023), Impact assessment support study

PM B.6: Member States may require terminal managers and transport operators to establish "Single Points of Contact" (SPC) to PRMs, also if they are not operating via multimodal hubs (category A+B+C)

Under PM B.6, Member States could require SPCs to be set up at other multimodal hubs than the 424 multimodal hubs which ought to be developed under the TEN-T proposal, and should therefore be read as a complement to PM B.5. For example, additional multimodal hubs could be identified in urban nodes (i.e. more than one hub in a given urban node) or could even be located outside the territory of an urban node.

The costs associated with PM B.6 are expected to vary significantly across Member States, especially considering the different ownership of terminals across Member States. Furthermore, the implementation of the measure is subject to decisions taken at the national level. Although it is not possible to estimate the overall impact on costs of implementing PM B.6, these are estimated to be low, such as in the German example.

[272] Source: https://www.eurocontrol.int/sites/default/files/publication/files/standard-input-for-eurocontrol-cost-benefit-analyses-2018-edition-8-version-2.6.pdf.

In Germany, the Draft Law on the amendment of the German Railway Act to align to Regulation (EU) 2021/872 on rail passenger rights[273] highlights that establishing a SPC for persons with disabilities or reduced mobility is unlikely to lead to significant costs to transport operators and terminal managers as most of these companies already provide passengers with electronic communication options. Even for those that do not yet provide such form of electronic communication, the cost of setting up a SPC are estimated to be low, amounting to a maximum one-off adjustment cost of EUR 4,000 for those operators that have not yet established such a contact point. The overall costs are expected to be limited, which can be attributed to two factors. Firstly, this draft law establishes one single SPC for the entire German territory, which simplifies its implementation. Additionally, it is worth noting that, in this case, Deutsche Bahn AG was responsible for setting up the SPC on a voluntary basis (which is the group responsible for both the main railway undertaking and the infrastructure manager in Germany, which may lead to lower costs than a similar SPC set on a compulsory basis in other Member States).

In addition, evidence from the targeted consultation shows that operators already have in place points of contact to provide assistance to PRMs, which is indicated at the booking stage[274]. On the other hand, a terminal operator stated that there are already contact points for passengers, which arranges assistance for PRMs. However, it is worth noting that the establishment of the SPC mostly involve internal efforts between individual operators or terminal managers, rather than a coordinated effort across these stakeholders. Each individual transport and terminal operator should ensure that they reflect the obligations of PM B.6 under the passenger rights legislation of individual modes of transport.

PM B.7: Industry stakeholders to establish complaint-handling mechanisms for multimodal passengers (category A+B+C)

PM B.7 enables multimodal passengers to file a complaint on the alleged lack of respect of their rights as a passenger to carriers, terminal managers and ticket vendors/tour operators, who would have to set up an online and offline complaint-handling mechanism to this effect. This measure is similar to what is already required under Articles 28(1) and 12(7) of Regulation (EU) 2021/782.

Adjustment costs for carriers, terminal managers and ticket vendors/tour operators to establish an online and offline complaint-handling mechanism

The effort required by the carriers, terminal managers and ticket vendors/tour operators to establish an online and offline complaint-handling mechanism for multimodal passengers, has been estimated at 0.5 working days on a yearly basis, working 7.5 hours per day, based on evidence from stakeholders in the targeted consultation. The total number of stakeholders affected by this measure is estimated at 728 (excluding rail operators, for which an online and offline complaint-handling mechanism is already established under the baseline). The total recurrent adjustment costs of PM B.7 is estimated at EUR 84,970 per year or EUR 1.6 million, expressed as present value over 2025-2050 relative to the baseline.

Table 100: Recurrent adjustment costs for carriers, terminal managers and ticket vendors/tour operators due to PM B.7 relative to the baseline

[273] Entwurf eines Gesetzes zur Anpassung des Allgemeinen Eisenbahngesetzes an die Verordnung (EU) 2021/782 des Europäischen Parlaments und des Rates vom 29. April 2021 über die Rechte und Pflichten der Fahrgäste im Eisenbahnverkehr.

[274] One carrier and umbrella organisation for other modes than air.

ISCO 3 Technicians and associate professionals hourly wage (EUR per hour in 2021 prices)	3.1
Working days to implement changes	0.5
Workday (in hours)	7.5
Number of stakeholders	728
Recurrent adjustment costs per year from 2025 onwards (EUR, in 2021 prices), of which for:	**84,970**
Carriers	21,126
Intermediaries	14,356
Multimodal terminals	49,488
of which SMEs:	31,513
Carriers	17,858
Intermediaries	13,656
Recurrent adjustment costs expressed as present value over 2025-2050 (EUR, in 2021 prices)	**1,564,559**
Carriers	388,991
Intermediaries	264,342
Multimodal terminals	911,227
of which SMEs:	580,262
Carriers	328,815
Intermediaries	251,447

Source: PWC, TIS and Steer (2023), Impact assessment support study

Enforcement costs for public authorities

In the targeted survey, one public authority from Denmark (DK) estimated a range between 10 to 15 working days annually in additional monitoring activities due to PM B.7, particularly concerning the monitoring of the implementation of new complaint forms. Furthermore, another public authority from the Netherlands stated that the implementation of the proposed measure would result in additional enforcement costs for NEBs amounting to approximately EUR 20,000 per year (around 60 additional working days per year considering an hourly worker's wage of ISCO 2 (professionals) category). Considering the midpoint of the upper bound provided by the public authority in Denmark and the equivalent in working days from evidence provided by the Netherlands, 38 additional working days per Member State per year are assumed to be needed.

Total recurrent enforcement costs for public authorities are estimated at EUR 287,338 per year or EUR 5.3 million, expressed as present value over 2025-2050.

Table 101: Recurrent enforcement costs of PM B.7 for public authorities in monitoring activities

ISCO 2 Professional Authority hourly wage (EUR per hour in 2021 prices)	37.5
Working days to implement changes	38
Workday (in hours)	7.5

Number of MS affected	27
Recurrent enforcement costs per year from 2025 onwards (EUR, in 2021 prices)	**287,338**
Recurrent enforcement costs expressed as present value for 2025-2050 (EUR, in 2021 prices)	**5,290,793**

Source: PWC, TIS and Steer (2023), Impact assessment support study

Benefits for consumers (hassle costs savings)

Drawing on the evidence from the evaluation studies[275,276,277], the time spent by a passenger to fill in and follow up a complaint made to a carrier, terminal (i.e. airports and ports) and NEB is estimated at around 10 hours (or 2 hours if the complaint is made to a carrier and NEB only). In the baseline, it is estimated that 6.9% of the multimodal passengers are affected by a delay or cancelation in 2025, 7.3% in 2030 and 5.7% in 2050. In addition, it is assumed that 5% of the passengers affected by a delay or cancellation would make a complaint. Thus, the number of complaints is estimated at 303,575 in 2025, 379,826 in 2030 and 431,489 in 2050.

Moreover, under a conservative approach it is assumed that passengers would save at least 15 minutes per complaint handling (lower bound), drawing a parallel with a study by the World Bank[278]. At an upper bound, time savings per complaint may amount to 60 minutes. Using the consumer value of time estimated at EUR 22.7 per hour[279] in 2021 prices, the hassle costs savings for passengers are provided in the table below. Per complaint, they are estimated at EUR 5.7 to 22.7. Expressed as present value over 2025-2050, hassle costs savings for passengers due to PM B.7 are estimated at EUR 43.3 to 173.2 million relative to the baseline.

Table 102: Hassle costs savings for consumers due to PM B.7 relative to the baseline

	2025	2030	2040	2050
Number of complaints	303,575	379,826	415,036	431,489
Consumers value of time (EUR)	22.7	22.7	22.7	22.7
Hassle costs savings (EUR)				
Lower bound estimate	1,722,979	2,155,751	2,355,590	2,448,971
Upper bound estimate	6,891,916	7,584,352	9,422,361	9,795,886

Source: PWC, TIS and Steer (2023), Impact assessment support study

Hassle costs savings for multimodal transport operators and intermediary ticket vendors

Similarly, it is assumed that multimodal transport operators and intermediaries would benefit from less time for handling complaints. Drawing on the same study by the World Bank[280], each complaint handling would benefit of 15 minutes saved under a conservative approach (lower

[275] Steer (2021), PART A – Evaluation of Regulation (EC) No 1107/2006 on the rights of persons with disabilities and with reduced mobility when travelling by air – Study on the EU Framework for Passenger Rights.
[276] Steer (2021), Part B – Evaluation of Regulation (EU) No 181/2011 on the rights of passengers travelling by bus and coach – Study on the EU Framework for Passenger Rights.
[277] Steer (2021), Part C – Evaluation of Regulation (EU) No 1177/2010 on the rights of passengers travelling by sea and inland Waterways - Study on the EU Framework for Passenger Rights.
[278] Available at: https://thedocs.worldbank.org/en/doc/3ecf7262788a3ec69c8a45bbd3342a28-0080022021/related/Spring2021-governance-talk-asli-0525.pdf.
[279] Source: https://www.eurocontrol.int/sites/default/files/publication/files/standard-input-for-eurocontrol-cost-benefit-analyses-2018-edition-8-version-2.6.pdf
[280] Available at: https://thedocs.worldbank.org/en/doc/3ecf7262788a3ec69c8a45bbd3342a28-0080022021/related/Spring2021-governance-talk-asli-0525.pdf.

bound) and up to 60 minutes saved (upper bound). In order to calculate the hassle costs savings, an hourly worker's wage corresponding to ISCO 3 (technicians and associate professionals) is assumed and an even repartition of complaints between transport operators and intermediary ticket vendors, in lack of detailed information. The total number of stakeholders affected and the hassle costs savings for each group of multimodal transport operators and intermediaries in 2025, 2030, 2040 and 2050 relative to the baseline are provided in the table below.

Table 103: Number of multimodal stakeholders benefiting of hassle costs savings in PM B.7

Multimodal stakeholders affected	Total	of which SMEs
Bus and coach operators	173	147
Air carriers	2	-
Waterborne transport operators	6	6
Intermediaries	123	117
Total	**304**	**270**

Source: PWC, TIS and Steer (2023), Impact assessment support study

Table 104: Hassle costs savings for multimodal transport operators and intermediaries due to PM B.7 (in EUR) relative to the baseline

	2025	2030	2040	2050
Lower bound estimate	2,362,149	2,955,466	3,229,439	3,357,461
Carriers	1,406,411	1,759,669	1,922,791	1,999,015
Bus and coach operators	1,344,249	1,681,894	1,837,806	1,910,661
Air carriers	15,540	19,444	21,246	22,089
Waterborne transport operators	46,621	58,332	63,739	66,266
Intermediaries	955,738	1,195,797	1,306,648	1,358,447
of which for SMEs	2,097,961	2,624,921	2,868,252	2,981,956
Carriers	1,188,845	1,487,455	1,625,343	1,689,775
Bus and coach operators	1,142,223	1,429,123	1,561,604	1,623,509
Air carriers	0	0	0	0
Waterborne transport operators	46,621	58,332	63,739	66,266
Intermediaries	909,117	1,137,466	1,242,909	1,292,181
Upper bound estimate	9,448,596	11,821,865	12,917,756	13,429,846
Carriers	5,625,645	7,038,676	7,691,164	7,996,060
Bus and coach operators	5,376,997	6,727,574	7,351,223	7,642,643
Air carriers	62,162	77,775	84,985	88,354
Waterborne transport operators	186,485	233,326	254,956	265,063
Intermediaries	3,822,952	4,783,189	5,226,592	5,433,786
of which for SMEs	8,391,846	10,499,683	11,473,007	11,927,824
Carriers	4,755,379	5,949,820	6,501,370	6,759,100
Bus and coach operators	4,568,894	5,716,494	6,246,415	6,494,037
Air carriers	0	0	0	0
Waterborne transport operators	186,485	233,326	254,956	265,063
Intermediaries	3,636,466	4,549,862	4,971,636	5,168,724

Source: PWC, TIS and Steer (2023), Impact assessment support study

Expressed as present value over 2025-2050 relative to the baseline, the hassle costs savings are estimated at EUR 59.3 to 237.4 million, of which EUR 52.7 to 210.8 million savings for the SMEs.

Table 105: Hassle costs savings for multimodal transport operators and intermediaries due to PM B.7, expressed as present value over 2025-2050 relative to the baseline (in million EUR)

	Present value over 2025-2050
Lower bound estimate	59.3

	Present value over 2025-2050
Carriers	35.3
Bus and coach operators	33.8
Air carriers	0.4
Waterborne transport operators	1.2
Intermediaries	24.0
of which for SMEs	52.7
Carriers	29.9
Bus and coach operators	28.7
Air carriers	0.0
Waterborne transport operators	1.2
Intermediaries	22.8
Upper bound estimate	237.4
Carriers	141.3
Bus and coach operators	135.1
Air carriers	1.6
Waterborne transport operators	4.7
Intermediaries	96.0
of which for SMEs	210.8
Carriers	119.5
Bus and coach operators	114.8
Air carriers	0.0
Waterborne transport operators	4.7
Intermediaries	91.4

Source: PWC, TIS and Steer (2023), Impact assessment support study

PM B.8: Member States authorities shall handle multimodal complaints from passengers (category A+B+C))

All NEBs or other bodies designated by Member States to handle complaints from passengers under the existing passenger rights Regulations for each transport mode (air, rail, bus and coach, waterborne) should be able to review multimodal complaints. Where a NEB competent in one mode receives a complaint which also concerns other modes, the NEB responsible for the other complaint needs to cooperate with that other NEB.

Enforcement costs for public authorities

To estimate the cooperation effort for NEBs due to this measure and the associated enforcement costs, the responses from six public authorities that estimated the effort required/costs in the targeted survey have been considered: (i) from 30 to 50 annual working days, by the Danish Appeals Board for Bus, Train and Metro; (ii) two additional employees at total cost of EUR 74,720, by the Civil Aviation Agency of Slovenia; (iii) from 10 to 20 working days annually, by the State Railway Administration from Latvia; (iv) 2 working days per year, by the Portuguese NEB (AMT); (v) EUR 10,000 per year to communicate with other NEB's and acting as a focal point for these complaints, by the Dutch Authority; (vi) one-off cost of EUR 30,000 and recurrent costs of EUR 30,000, by the Civil Aviation Authority from the Czech Republic. The wide range of figures is driven by the fact that the size and volume of activities of the stakeholders vary among each Member State. For the purpose of the assessment, the median of these estimates has been used, equivalent to 30 working days per year. Thus, we assumed an average of 50 working days at an upper bound and 10 working days at a lower bound, and

assumed an hourly worker's wage of a professional authority worker[281], working 7.5 hours per day in the EU-27. Thus, we estimate total ongoing enforcement costs ranging from EUR 1.40 million to EUR 6.98 million, expressed as present value for 2025-2050.

Table 106: Recurrent enforcement costs for public authorities due to PM B.8

ISCO 2 Professional Authority hourly wage (EUR per hour in 2021 prices)	37.5
Additional working days per year	30
Workday (in hours)	7.5
Number of MS	27
Recurrent enforcement costs from 2025 onwards (EUR, in 2021 prices)	**227,536**
Recurrent enforcement costs, expressed as present value over 2025-2050 (EUR, in 2021 prices)	**4,189,657**

Source: PWC, TIS and Steer (2023), Impact assessment support study

Hassle costs savings for public authorities

Similarly to PM B.7, NEBs would benefit of hassle costs savings for processing the complaints from passengers concerning multimodal journeys. Drawing on the same study by the World Bank[282], each complaint handling would benefit of 15 minutes saved under a conservative approach (lower bound) and up to 60 minutes saved (upper bound). In order to calculate the hassle costs savings, an hourly worker's wage corresponding to ISCO 2 (professionals) has been used. The hassle costs savings for public authorities for 2025, 2030, 2040 and 2050 are provided in the table below. Expressed as present value over 2025-2050, they are estimated at EUR 71.4 to 285.7 million relative to the baseline.

Table 107: Hassle costs savings for public authorities due to PM B.8

	2025	2030	2040	2050
Number of complaints	303,575	379,826	415,036	431,489
Hassle costs savings (EUR)				
Lower bound estimate	2,842,564	3,556,550	3,886,243	4,040,303
Upper bound estimate	11,370,255	12,512,632	15,544,972	16,161,212

Source: PWC, TIS and Steer (2023), Impact assessment support study

Summary of costs and costs savings by option and by measure (problem area 2)

The summary of recurrent and one-off costs and costs savings by option and by measure, expressed as present value over 2025-2050, and for 2025, 2030 and 2050 relative to the baseline are provided in the tables below.

Table 108: Recurrent and one-off costs and costs savings in the POs, expressed as present value relative to the baseline, in million EUR (2021 prices)

	Difference to the Baseline		
	PO 2.1	PO 2.2	PO 2.3
Carriers			
Administrative costs	0.00	0.12	0.12
PM B.2		0.12	0.12
Adjustment costs	20.60	35.22	38.95

[281] ISCO 2 tariff average. All the ISCO figures have been updated according to the HICP factor (2021/2018).
[282] Available at: https://thedocs.worldbank.org/en/doc/3ecf7262788a3ec69c8a45bbd3342a28-0080022021/related/Spring2021-governance-talk-asli-0525.pdf.

	Difference to the Baseline		
	PO 2.1	PO 2.2	PO 2.3
PM B.1	0.12	0.12	0.12
PM B.2		14.50	14.50
PM B.3a	20.10	20.10	
PM B.3b			23.83
PM B.4a		0.12	
PM B.4b			0.12
PM B.7	0.39	0.39	0.39
Hassle costs savings	35.33	35.33	35.33
PM B.7*	35.33	35.33	35.33
Terminal operators			
Adjustment costs	1.11	317.64	317.64
PM B.1	0.20	0.20	0.20
PM B.5		316.53	316.53
PM B.7	0.91	0.91	0.91
Intermediaries			
Administrative costs	0.00	0.03	0.03
PM B.2		0.03	0.03
Adjustment costs	0.38	3.44	3.55
PM B.1	0.06	0.06	0.06
PM B.2		3.00	3.00
PM B.3a	0.06	0.06	
PM B.3b			0.11
PM B.4a		0.06	
PM B.4b			0.11
PM B.7	0.26	0.26	0.26
Hassle costs savings	24.01	24.01	24.01
PM B.7*	24.01	24.01	24.01
Public authorities			
Enforcement costs	19.42	23.34	23.34
PM B.2		1.93	1.93
PM B.3a	9.94	9.94	
PM B.3b			9.94
PM B.5		1.99	1.99
PM B.7	5.29	5.29	5.29
PM B.8	4.19	4.19	4.19
Hassle costs savings	71.42	71.42	71.42
PM B.8*	71.42	71.42	71.42
Consumers			
Benefits for consumers	20.09	20.09	23.81
PM B.3a	20.09	20.09	
PM B.3b			23.81
Hassle costs savings	61.86	339.14	339.14
PM B.3a*	18.57	18.57	
PM B.3b*			18.57
PM B.5*		277.28	277.28
PM B.7*	43.29	43.29	43.29
Total costs	41.51	379.78	383.63
Total benefits	212.71	489.99	493.72
Net benefits	171.20	110.21	110.09

	Difference to the Baseline		
	PO 2.1	PO 2.2	PO 2.3
Benefits to costs ratio	5.1	1.3	1.3

*Source: PWC, TIS and Steer (2023), Impact assessment support study; Note: * stands for the lower bound of the costs savings estimates. When considering the upper bound of the costs savings estimates, the net benefits of PO 2.1 are estimated at EUR 702.64 million, of PO 2.2 at EUR 918.94 million and of PO 2.3 at EUR 918.81 million and the benefits to costs ratio at 17.9, 3.4 and 3.4 respectively.*

Table 109: One-off adjustment costs in the POs relative to the baseline scenario, in million EUR (2021 prices)

	Difference to the Baseline		
	PO 2.1	PO 2.2	PO 2.3
Carriers			
One-off adjustment costs	0.12	14.74	14.75
PM B.1	0.12	0.12	0.12
PM B.2		14.50	14.50
PM B.3a	0.01	0.01	
PM B.3b			0.01
PM B.4a		0.12	
PM B.4b			0.12
Terminal operators			
One-off adjustment costs	0.20	4.44	4.44
PM B.1	0.20	0.20	0.20
PM B.5		4.24	4.24
Intermediaries			
One-off adjustment costs	0.11	3.17	3.29
PM B.1	0.06	0.06	0.06
PM B.2		3.00	3.00
PM B.3a	0.06	0.06	
PM B.3b			0.11
PM B.4a		0.06	
PM B.4b			0.11

Source: PWC, TIS and Steer (2023), Impact assessment support study

Table 110: Recurrent and one-off costs for carriers in the POs, in 2025, 2030 and 2050 relative to the baseline scenario, in million EUR (2021 prices)

	Difference to the Baseline								
	PO 2.1			PO 2.2			PO 2.3		
	2025	2030	2050	2025	2030	2050	2025	2030	2050
Administrative costs	0.00	0.00	0.00	0.01	0.01	0.01	0.01	0.01	0.01
PM B.2				0.01	0.01	0.01	0.01	0.01	0.01
Adjustment costs	0.97	1.01	1.35	15.58	1.01	1.35	15.75	1.20	1.58
PM B.1	0.12			0.12			0.12		
PM B.2				14.50			14.50		
PM B.3a	0.83	0.99	1.33	0.83	0.99	1.33			
PM B.3b							1.00	1.18	1.56
PM B.4a				0.12					
PM B.4b							0.12		
PM B.7	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02
Hassle costs savings	1.41	1.76	2.00	1.41	1.76	2.00	1.41	1.76	2.00
PM B.7*	1.41	1.76	2.00	1.41	1.76	2.00	1.41	1.76	2.00
Net benefits	0.44	0.75	0.65	-14.18	0.74	0.64	-14.35	0.55	0.41

*Source: PWC, TIS and Steer (2023), Impact assessment support study; Note: * stands for the lower bound of the costs savings estimates; negative values for 'net benefits' represent net costs.*

Table 111: Recurrent and one-off costs for terminal operators in the POs, in 2025, 2030 and 2050 relative to the baseline scenario, in million EUR (2021 prices)

	Difference to the Baseline								
	PO 2.1			PO 2.2			PO 2.3		
	2025	2030	2050	2025	2030	2050	2025	2030	2050
Adjustment costs	0.25	0.05	0.05	21.45	17.01	17.01	21.45	17.01	17.01
PM B.1	0.20			0.20			0.20		
PM B.5				21.20	16.96	16.96	21.20	16.96	16.96
PM B.7	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05
Net costs	0.25	0.05	0.05	21.45	17.01	17.01	21.45	17.01	17.01

Source: PWC, TIS and Steer (2023), Impact assessment support study

Table 112: Recurrent and one-off costs for intermediaries in the POs, in 2025, 2030 and 2050 relative to the baseline scenario, in million EUR (2021 prices)

	Difference to the Baseline								
	PO 2.1			PO 2.2			PO 2.3		
	2025	2030	2050	2025	2030	2050	2025	2030	2050
Administrative costs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
PM B.2				0.00	0.00	0.00	0.00	0.00	0.00
Adjustment costs	0.13	0.01	0.01	3.19	0.01	0.01	3.30	0.01	0.01
PM B.1	0.06			0.06			0.06		
PM B.2				3.00			3.00		
PM B.3a	0.06			0.06					
PM B.3b							0.11		
PM B.4a				0.06					
PM B.4b							0.11		
PM B.7	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01
Hassle costs savings	0.96	1.20	1.36	0.96	1.20	1.36	0.96	1.20	1.36
PM B.7*	0.96	1.20	1.36	0.96	1.20	1.36	0.96	1.20	1.36
Net benefits	0.83	1.18	1.34	-2.23	1.18	1.34	-2.35	1.18	1.34

*Source: PWC, TIS and Steer (2023), Impact assessment support study; Note: * stands for the lower bound of the costs savings estimates; negative values for 'net benefits' represent net costs.*

Table 113: Recurrent costs for national public authorities in the POs, in 2025, 2030 and 2050 relative to the baseline scenario, in million EUR (2021 prices)

	Difference to the Baseline								
	PO2.1			PO2.2			PO2.3		
	2025	2030	2050	2025	2030	2050	2025	2030	2050
Enforcement costs	1.05	1.05	1.05	1.27	1.27	1.27	1.27	1.27	1.27
PM B2				0.10	0.10	0.10	0.10	0.10	0.10
PM B3a	0.54	0.54	0.54	0.54	0.54	0.54			
PM B3b							0.54	0.54	0.54
PM B5				0.11	0.11	0.11	0.11	0.11	0.11
PM B7	0.29	0.29	0.29	0.29	0.29	0.29	0.29	0.29	0.29
PM B8	0.23	0.23	0.23	0.23	0.23	0.23	0.23	0.23	0.23
Hassle costs savings	2.84	3.56	4.04	2.84	3.56	4.04	2.84	3.56	4.04
PM B8*	2.84	3.56	4.04	2.84	3.56	4.04	2.84	3.56	4.04
Net benefits	1.79	2.50	2.99	1.57	2.29	2.77	1.57	2.29	2.77

*Source: PWC, TIS and Steer (2023), Impact assessment support study; Note: * stands for the lower bound of the costs savings estimates.*

Table 114: Benefits for consumers in the POs, in 2025, 2030 and 2050 relative to the baseline scenario, in million EUR (2021 prices)

	Difference to the Baseline								
	PO 2.1			PO 2.2			PO 2.3		
	2025	2030	2050	2025	2030	2050	2025	2030	2050
Benefits for consumers	0.82	0.99	1.33	0.82	0.99	1.33	0.98	1.18	1.56
PM B.3a	0.82	0.99	1.33	0.82	0.99	1.33			
PM B.3b							0.98	1.18	1.56
Hassle costs savings	2.28	2.88	4.10	10.65	13.66	28.81	10.65	13.66	28.81
PM B.3a*	0.56	0.72	1.65	0.56	0.72	1.65			
PM B.3b*							0.56	0.72	1.65
PM B.5*				8.37	10.79	24.70	8.37	10.79	24.70
PM B.7*	1.72	2.16	2.45	1.72	2.16	2.45	1.72	2.16	2.45
Net benefits	3.11	3.87	5.44	11.47	14.65	30.14	11.63	14.84	30.37

*Source: PWC, TIS and Steer (2023), Impact assessment support study; Note: * stands for the lower bound of the costs savings estimates.*

3.3. Problem area 3 - Reimbursement rules are unclear when flights were booked via an intermediary

PM C.1a: Intermediaries and carriers to inform passengers on the reimbursement process. The passenger may only request it to the carrier which performs it without the involvement of the intermediary

PM C.1a imposes an obligation on intermediaries and carriers to inform passengers (where their contact details are known to the intermediary or carrier) on the reimbursement process, which the passenger may only request to the carrier and which the carrier carries out without the involvement of the intermediary (a) before booking on their websites, (b) on the booking receipt, (c) when the right to reimbursement is triggered and they are (made) aware of this.

One-off administrative costs for intermediary ticket vendors and air carriers to inform passengers on the reimbursement process

The obligation on intermediaries and carriers to inform passengers on their reimbursement process and the conditions that apply would likely impose costs on the industry, namely intermediaries and air carriers, as this measure would require them to inform passengers regarding the reimbursement process on their booking receipt and the conditions under which the passenger is eligible for reimbursement. Since some information is already disclosed by carriers and intermediaries, it can be argued that not all stakeholders would require updating the information. Nevertheless, for the assessment it has been assumed that the level of information required by this measure would require some changes to the information already disclosed.

Thus, it is expected that 123,000 intermediary ticket vendors[283] would incur one-off administrative costs for implementing this measure. According to evidence collected in the targeted consultation, 2 additional working days on a one-off basis would be needed to deal with the changes that this measure would impose. Assuming an hourly worker's wage corresponding to ISCO 3 (technicians and associate professionals) and 7.5 working hours per day, it is estimated that this measure would lead to one-off administrative costs for intermediary

[283] Evidence provided by travel agents' industry association for 2019.

ticket vendors of EUR 57.4 million in 2025 relative to the baseline (EUR 467 per intermediary ticket vendor on average), of which EUR 54.6 million for SMEs.

Table 115: One-off administrative costs for intermediary ticket vendors due to PM C.1a

ISCO 3 Technicians and associate professionals hourly wage (EUR per hour in 2021 prices)	31.1
Working days to implement changes	2
Workday (in hours)	7.5
Number of stakeholders affected	123,000
One-off administrative costs in 2025 (EUR), of which for:	**57,424,559**
SMEs	**54,553,331**

Source: PWC, TIS and Steer (2023), Impact assessment support study

In addition, taking into account the 149 airlines operating in the EU and 2 additional working days on one-off basis to deal with the changes that this measure would impose, the one-off administrative costs for air carriers are estimated at EUR 69,563 in 2025.

Table 116: One-off administrative costs for air carriers due to PM C.1a

ISCO 3 Technicians and associate professionals hourly wage (EUR per hour in 2021 prices)	31.1
Working days to implement changes	2
Workday (in hours)	7.5
Number of stakeholders affected	149
One-off administrative costs in 2025 (EUR)	**69,563**

Source: PWC, TIS and Steer (2023), Impact assessment support study

Recurrent administrative costs for air carriers to process manual reimbursement

According to evidence received from one large air carrier and also confirmed by other airlines in the targeted survey and online interviews, in case of tickets issued by intermediaries acting as the Merchant of Record (MoR) and reimbursement requests made to carriers by passengers, reimbursements have to be issued manually, as an automatic reversal of payment is not possible and a lot of additional information needs to be collected from the passengers, and checks performed.

In this regard, some large network carriers pointed out that for airlines to properly identify the passenger that paid for the ticket and thus, have the right of reimbursement, carriers need to collect certain personal information such as: i) the PNR (passenger name record), ii) the ticket number, iii) proof of identity, iv) name of the passengers and the email address of the passenger. Moreover, they need the bank details of the customer (IBAN/BIC and name of the bank), proof that the ticket was not paid for by a corporate third-party (business travelling) and confirmation that the customer has not done a chargeback via their credit card. The majority of airlines, mostly network carriers and small low-cost carriers, would need to process this manually (according to stakeholer information). Currently, the IATA BSP system processes 80% of all reimbursement values when Merchant of Record intermediares are involved, through a reversal of the payment flow.

A different stakeholder representing an airline association stated in the targeted survey that airlines would need to receive the proof of the original purchase and any subsequent changes, identify the payment instrument (e.g. credit card, Paypal, Ideal, Klarna, etc.) and its details, identify the refund benefiting entity with potentially additional KYC (Know your customer) and AML (Anti-Money Laundering) procedures. A further complication arises when the passenger paid the ticket to the intermediary via a payment instrument that the airline does not have (e.g. a local means of payment, available to the (local) intermediary, but not the airline.) Therefore, this measure may entail recurrent administrative costs for carriers in order to issue reimbursement for passengers in case of tickets booked via intermediary ticket vendors, especially in the case of intermediaries acting as the MoR for the transaction. No one-off costs are foreseen, as most carriers are expected to make minor adaptations to their existent online reimbursement procedures.

However, it is worth pointing out that some large low-cost carriers have implemented or are implementing an automatic verification system to issue reimbursements to passengers who booked via intermediaries. The business model of these LCCs relies mostly on direct sales via their own websites[284]. In order to overcome issues arising from passengers booking tickets via intermediaries with whom airlines do not have a commercial agreement as well as the cost of the manual verification process, at least three low-cost carriers have implemented or are implementing an online verification tool provided by a third-party, which expedites the process of reimbursement and streamlines it, as the manual verification from customer service agents may have taken too long and be too costly. Evidence from one large low-cost carrier which has already fully implemented such a system shows that passengers are required to make a payment of 59 cents for such third-party verification. According to the carrier, this fee collected contributes directly toward the third-party costs invoiced to the carrier and the costs of such biometrics verification system.

As explained in section 2.2 of Annex 4, there are 149 airlines operating in the EU and their number is assumed to remain constant over time in the baseline. According to the feedback received from one large network carrier during the targeted stakeholder consultation a web-based reimbursement system would cost approximately EUR 2.5 million in 2022 prices (equivalent to EUR 2.3 million in 2021 prices) per year, based on a parallel refund structure which would consider verifying all passengers' data that would need to be confirmed, as explained above. According to the carrier, this cost would cover additional staff to check all refund requests (passenger details, contact details, payment made to third party and bank account details) twice. According to evidence provided, the aforementioned airline carried 14.0 million passengers in 2022. In addition, the share of indirect ticket sales (i.e. tickets issued by all intermediary ticket vendors) represented 46.4% of all tickets issued by this carrier. Considering that the share of passengers requesting reimbursements represents 3% of bookings via intermediary ticket vendors[285], the cost of the reimbursement procedure has been estimated at EUR 11.7 per passenger request (in 2021 prices).

[284] This is reflected in the evidence gathered, which shows that intermediary ticket sales account for 15% of all ticket sales for LCCs, on average, while intermediary ticket sales account for approximately 53% of all ticket sales for network carriers.

[285] According to evidence provided by the same airline for 2019. One large OTA provided a similar figure for reimbursement requests in 2019 (3.2%). However, evidence from an airline association shows that on average 6% of passengers booking via intermediaries request reimbursement. In turn, one large LCC pointed out that reimbursement requests represented 0.5% of passengers booking via intermediary ticket vendors. The mid-point of these figures has been considered for the estimations, i.e. on average 3% of passengers booking via intermediary ticket vendors request reimbursement.

As previously mentioned, stakeholder evidence shows that 3[286] large low-cost carriers (which account for 66% of all LCC traffic in the EU-27 (i.e. 19.8% of passengers booking via intermediary ticket vendors) are implementing or have already implemented such a verification tool, thus not being affected by the additional costs of handling reimbursement requests in tickets booked via intermediary ticket vendors, as these costs are part of the baseline.

Table 117: Airline ticket payment flows

Payment flows		% of volume of tickets in terms of number of passengers[287, 288]	Reimbursement procedure in the baseline	Role of ticket vendor	Knowledge of payment details
1. Direct Sales (via airlines' direct distribution channels)		60%	Controlled by the airline (greater compliance with the 7-day deadline); mostly automated	Airline is the ticket vendor	The airline knows the payment instrument and its reference (such as the card number)
2. Indirect sales via intermediary ticket vendors	**1a. Pass-through sales (mainly Travel Management Companies, TMCs)**	10%	95% through the GDS (automated) and 5% non-GDS (reimbursement most likely issue after 14 days) *Payments via IATA's BSP*	Travel agent acts as a booking intermediator to the carrier	The airline knows the payment instrument and its reference
	2a. Intermediary acts as the MoR (OTAs, brick and mortars,)	24%		Passengers book travel services via a travel agent, which are a MoR for the transaction. The travel agent receives payment from the passenger and then arranges a second B2B transaction to the carrier from its own account.	The airline does not know the payment instrument or its reference
	2b. Scheduled flights as part of package travel (tour operators)	1.5-3%[289]	Mostly non-automated (reimbursemen	Passengers book travel services via a travel agent,	The airline does not know the payment

[286] According to evidence gathered in the context of the impact assessment support study, Ryanair has an accessible reimbursement procedure already implemented. We assume that two other large low cost carriers are currently implementing such a system, as these airlines also promote direct booking via their websites.

[287] Based on evidence provided by IATA and estimates in the context of the impact assessment support study (based on evidence gathered by a group of 5 airlines, which shows that approximately 36% of all passengers book via intermediary ticket vendors).

[288] Comparing the information provided by air carriers on the share of tickets sold via intermediary ticket vendors and the information provided by IATA on the amount (in euros) of ticket flows in ticket, it has been assumed that the share of tickets sold via intermediary ticket vendors is more or less proportional to the share of tickets sold (in paid amounts, as provided by IATA). The share of tickets sold via intermediary ticket vendors is considered proportional to the share of passengers booking via intermediary ticket vendors.

[289] Given the lack of clarity on the share of tickets under flows 2b and 3a which are or not under the remit of the Passenger Rights Regulation, it has been assumed, using a conservative approach, that between 25% and 75% of ticket flows may fall within the scope of the Passenger Rights Regulation. The mid-point of this range has been considered, i.e. 3%, when including flow 2b in the calculation of impacts. In addition, it has been considered that 3% of ticket flows are under the Package Travel Directive (flow 3).

Payment flows		% of volume of tickets in terms of number of passengers[287, 288]	Reimbursement procedure in the baseline	Role of ticket vendor	Knowledge of payment details
	Flight sold as part of a package (mostly within the remit of Reg. 261/2008)		t most likely after 14 days)	becoming a MoR for the transaction. The travel agent receives payment from the passenger and then arranges a second B2B transaction to the carrier	instrument or its reference
3. Indirect sales via intermediary ticket vendors (charter flights only; mostly outside remit of Regulation 261/2008)	**3a. Charter flights as part of package travel (tour operators)**	1.5-3%	N/A		Charter flights sold as part of a travel package (within the remit of the PTD)

Source: PWC, TIS and Steer (2023), Impact assessment support study (based on evidence provided in the stakeholder consultation)

For the purpose of the assessment, the estimated cost per passenger request for issuing manual reimbursement for tickets sold via intermediary ticket vendors (EUR 11.7) is assumed to be similar across all carriers which would need to process such reimbursements, and it is assumed to remain constant over time in real prices (in 2021 prices). In addition, it has been assumed that for approximately 27% of reimbursements the carrier does not have access to the passengers' payment details (intermediaries acting as MoR of the transaction)[290] and that on average 3% of passengers request reimbursement, as explained above. For estimating the costs of PM C.1a it has been considered that it would have an impact only on passengers flying with airlines which have not yet implemented a third-party verification tool in the baseline (as in the case of the large LCCs, as outlined above).

Therefore, the recurrent administrative costs for air carriers to process manual reimbursement to passengers in case of indirect sales via intermediaries are estimated at EUR 73.9 million in 2025, EUR 80.6 million in 2030 and EUR 104.1 million in 2050. Expressed as present value over 2025-2050, the administrative costs are estimated at EUR 1.6 billion relative to the baseline.

For the purpose of the application of the 'one in, one out' approach, the annual average number of passengers affected over 2025-2035 is estimated at 6,888,612. Considering the cost per passenger to process the manual reimbursement (EUR 7.1), the annual average administrative costs over 2025-2035 are estimated at EUR 80.7 million per year.

Table 118: Recurrent administrative costs for carriers due to PM C.1a

	2025	2030	2040	2050
Percentage of intermediaries acting as the MoR of the transaction (%)	27%	27%	27%	27%
Percentage of passengers requesting reimbursement (%)	3%	3%	3%	3%
Number of passengers' requests affected	6,306,886	6,878,786	7,997,614	8,885,799
Cost per passenger to process manual reimbursement (EUR, in 2021 prices)	11.7	11.7	11.7	11.7

[290] It has been assumed that airlines only have access to the passengers' payment details in bookings via pass-through agents (flow 2a). Thus, intermediaries acting as MoR for the transaction correspond to 27% (referring to payment flows 2a and 2b).

	2025	2030	2040	2050
Recurrent administrative costs (EUR, in 2021 prices)	**73,865,756**	**80,563,813**	**93,667,438**	**104,069,784**

Source: PWC, TIS and Steer (2023), Impact assessment support study

Administrative costs savings for intermediary ticket vendors

As intermediaries would no longer handle reimbursement requests which they would otherwise have handled, this measure is expected to result in costs savings for intermediaries relative to the baseline. In the context of the targeted consultation, one large intermediary stated that the cost of manually processing reimbursements for passengers is between EUR 5 to EUR 7 per passenger request. The median has been chosen for the estimates below (EUR 6 per passenger).

The total administrative costs savings for intermediary ticket vendors are thus estimated at EUR 37.8 million in 2025, EUR 41.3 million in 2030 and EUR 53.3 million in 2050 relative to the baseline. Expressed as present value over 2025-2050, the administrative costs savings for intermediary ticket vendors are estimated at EUR 828.5 million, of which EUR 787 for SMEs.

However, intermediaries may incur indirect costs as a result of no longer being able to offer the processing of reimbursements to their customers (and to airlines, as part of their agreements with them) as part of their service package. It may also damage to a certain extent their business model of maintaining an exclusive relationship with their customers. No data on this is available, but during the stakeholder consultation, intermediaries and their associations have pointed out that they want to continue processing the reimbursements of their customers.

For the purpose of the application of the 'one in, one out' approach, the annual average number of passengers' requests affected over 2025-2035 is estimated at 41,331,669. Considering the costs savings per passenger request for processing the manual reimbursement (EUR 6), the annual average administrative costs over 2025-2035 are estimated at EUR 8.3 million per year.

Table 119: Recurrent administrative costs savings for intermediary ticket vendors due to PM C.1a

	2025	2030	2040	2050
Number of passengers' requests affected	6,306,886	6,878,786	7,997,614	8,885,799
Cost saving per passenger for processing manual reimbursement (EUR, in 2021 prices)	6	6	6	6
Recurrent administrative costs savings (EUR, in 2021 prices), of which for:	37,841,314	41,272,719	47,985,686	53,314,792
SMEs	35,949,249	39,209,083	45,586,402	50,649,052

Source: PWC, TIS and Steer (2023), Impact assessment support study

Hassle costs for consumers (for requesting the reimbursement from air carriers)

Requesting reimbursement from air carriers is expected to lead to additional hassle costs for consumers, given the additional information that will need to be provided before requesting their reimbursement in case of tickets bought via intermediaries. As previously pointed out[291], airlines do not often have all the necessary information from passengers to be able to issue the reimbursement. Therefore, passengers may be requested to go through lengthy processes for providing their information to carriers before being able to request their reimbursement. According to some carriers replying to the stakeholder consultation, the following details may be needed: the PNR (passenger name record), the ticket number, proof of identity, name of the

[291] See in this annex PM C.1a, adjustment costs for carriers.

passenger(s), the email address of the passenger(s), the bank details of the customer(s) (IBAN/BIC and name of the bank), proof that the ticket was not paid for by a corporate third-party (business travelling), confirmation that the costumer has not done a chargeback via their credit card. It is assumed that passengers would need between 30 and 50 minutes to search for and provide all the information requested. The time needed for the passenger to provide each type of information is provided in the table below.

Table 120: Additional time spent per reimbursement request, by type of information (in minutes)

Type of information	Additional time needed (in minutes)
Proof of identification	10-20 minutes
Bank details	5 minutes
Proof that ticket was not paid by a corporate third party	5-10 minutes
No charge back confirmation	10-15 minutes
Total	**30-50 minutes**

Source: PWC, TIS and Steer (2023), Impact assessment support study

As explained above, alternatively, some airlines currently use an automatic verification system to issue reimbursements to passengers who booked via intermediaries. In order to overcome issues arising and the cost of the manual verification process, at least three low-cost carriers have implemented or are implementing an online verification tool provided by a third-party, which expedites the process of reimbursement and streamlines it, as the manual verification from customer service agents may have taken too long and be too costly[292]. In such cases, passengers are required to use facial recognition technology to verify the passengers' details, as described in the specific case of one of these low-cost carriers[293].

It is estimated that passengers requesting reimbursement via a general online form of the intermediary may spend on average 10 minutes doing so. Therefore, the additional time spent per reimbursement request to air carriers, for providing the information requested by them, is estimated at 20 to 40 minutes. This excludes the cases when an automatic verification system is used, in which case no additional time would be needed.

As explained above, and shown in the below table,***Table 137*** the number of passengers' requests affected by PM C.1a is estimated at 6.3 million in 2025, 6.9 million in 2030 and 8.9 million in 2050. These exclude the requests for which an automatic verification system is used. Considering the consumer value of time estimated at EUR 22.7 per hour[294] in 2021 prices, and the additional time spent per reimbursement request of 20 minutes (lower bound estimate) to 40 minutes (upper bound estimate), the hassle costs for 2025, 2030, 2040 and 2050 relative to the baseline are provided in the table below. Per consumer, they are estimated at EUR 7.6 to 15.1. Expressed as present value over 2025-2050, they are estimated at EUR 1,044.9 million to EUR 2,089.8 million.

[292] In the baseline, 19.8% of passengers booking via intermediaries are estimated to have tickets with these low-cost carriers.
[293] Available at: https://www.ryanair.com/ie/en/useful-info/help-centre/terms-and-conditions.
[294] Source: https://www.eurocontrol.int/sites/default/files/publication/files/standard-input-for-eurocontrol-cost-benefit-analyses-2018-edition-8-version-2.6.pdf.

Table 121: Hassle costs for consumers due to PM C.1a

	2025	2030	2040	2050
Number of passengers' requests affected	6,306,886	6,878,786	7,997,614	8,885,799
Hassle costs (EUR)				
Lower bound estimate	47,727,390	52,055,252	60,521,988	67,243,327
Upper bound estimate	95,454,780	98,917,070	121,043,976	134,486,653

Source: PWC, TIS and Steer (2023), Impact assessment support study

Hassle costs savings for consumers (clarity of the information available)

PM C.1a would also provide greater clarity to passengers, who would no longer be sent around and could be sure that the company they would approach for their refund (as explained under the information obligation) would indeed process the refund. This would ensure that passengers save time when searching for the information on whom they should approach for their reimbursement, providing greater confidence to consumers.

On average, as explained above, 3% of passengers booking via intermediaries request reimbursement[295], and around 46% of air passengers book their tickets via intermediaries. In the baseline scenario, the total number of air passengers booking via intermediaries who request reimbursement is projected at 13.5 million in 2025, 14.7 million in 2030 and 19 million in 2050. Under PM C.1a, it is assessed that passengers would spend 15 minutes (lower bound) to 30 minutes (upper bound) less when looking for information on their reimbursement process. Considering the consumer value of time estimated at EUR 22.7 per hour[296] in 2021 prices, the hassle costs savings for 2025, 2030, 2040 and 2050 relative to the baseline are provided in the table below. Per consumer, they are estimated at EUR 5.7 to 11.4. Expressed as present value over 2025-2050, they are estimated at EUR 1,679.1 million to EUR 3,358.2 million.

Table 122: Hassle costs savings for consumers due to PM C.1a

	2025	2030	2040	2050
Number of air passengers booking via intermediaries who request reimbursement	13,513,196	14,738,556	17,135,768	19,038,801
Hassle costs savings (EUR)				
Lower bound estimate	76,695,886	83,650,576	97,256,261	108,057,166
Upper bound estimate	153,391,773	167,301,152	194,512,521	216,114,333

Source: PWC, TIS and Steer (2023), Impact assessment support study

PM C.1b: Intermediaries and carriers to inform passengers on the reimbursement process. The carrier can decide whether the passenger has to request the reimbursement from the intermediary or the carrier.

Under PM C.1b intermediaries and carriers shall inform passengers on the reimbursement process. The carrier can decide whether the passenger has to request the reimbursement from the intermediary or the carrier (both free of charge for the passenger), e.g. by including in its terms and conditions whether, and if so with which intermediaries it processes reimbursements. It can do so on an individual intermediary basis. The intermediary can disagree with processing

[295] According to evidence provided by the same airline for 2019. One large OTA provided a similar figure for reimbursement requests in 2019 (3.2%). However, evidence from an airline association shows that on average 6% of passengers booking via intermediaries request reimbursement. In turn, one large LCC pointed out that reimbursement requests represented 0.5% of passengers booking via intermediary ticket vendors. The mid-point of these figures has been considered for the estimations, i.e. on average 3% of passengers booking via intermediary ticket vendors request reimbursement.

[296] Source: https://www.eurocontrol.int/sites/default/files/publication/files/standard-input-for-eurocontrol-cost-benefit-analyses-2018-edition-8-version-2.6.pdf.

reimbursement requests for (certain or all) carriers, and needs to inform about this, e.g. in the terms and conditions on its website, and the passenger on the booking receipt and when the right to reimbursement is triggered.

Under PM C.1b it is expected that the number of requests for reimbursement to carriers and intermediaries remain unchanged compared to the baseline. Therefore, no additional administrative costs for carriers or costs savings for intermediaries are foreseen under PM C.1b.

Administrative costs for intermediary ticket vendors and air carriers to inform passengers on the reimbursement process

Similarly to PM C.1a, this measure is estimated to lead to one-off administrative costs for the 123,000 intermediary ticket vendors. According to evidence collected in the targeted consultation, 2 additional working days on one-off basis would be needed to deal with the changes that this measure would imposes. Assuming an hourly worker's wage corresponding to ISCO 3 (technicians and associate professionals) and 7.5 working hours per day, it is estimated that this measure would lead to one-off administrative costs for intermediary ticket vendors of EUR 57.4 million in 2025 relative to the baseline (EUR 467 per intermediary ticket vendor on average), of which EUR 54.6 million for SMEs.

Table 123: One-off administrative costs for intermediary ticket vendors due to PM C.1b

ISCO 3 Technicians and associate professionals hourly wage (EUR per hour in 2021 prices)	31.1
Working days to implement changes	2
Workday (in hours)	7.5
Number of stakeholders affected	123,000
One-off administrative costs in 2025 (EUR), of which for:	**57,424,559**
SMEs	**54,553,331**

Source: PWC, TIS and Steer (2023), Impact assessment support study

In addition, taking into account the 149 airlines operating in the EU and 2 additional working days on one-off basis to deal with the changes that this measure would impose, the one-off administrative costs for air carriers are estimated at EUR 69,563 in 2025.

Table 124: One-off administrative costs for air carriers due to PM C.1b

ISCO 3 Technicians and associate professionals hourly wage (EUR per hour in 2021 prices)	31.1
Working days to implement changes	2
Workday (in hours)	7.5
Number of stakeholders affected	149
One-off administrative costs in 2025 (EUR)	**69,563**

Source: PWC, TIS and Steer (2023), Impact assessment support study

Hassle costs savings for consumers (clarity of the information available)

PM C.1b would also provide greater clarity to passengers, who would no longer be sent around and could be sure that the company they would approach for their refund (as explained under

the information obligation) would indeed process the refund. This would ensure that passengers save time when searching for the information on whom they should approach for their reimbursement, providing greater confidence to consumers.

On average, as explained above, 3% of passengers booking via intermediaries request reimbursement[297], and around 46% of air passengers book their tickets via intermediaries. In the baseline scenario, the total number of air passengers booking via intermediaries who request reimbursement is projected at 13.5 million in 2025, 14.7 million in 2030 and 19 million in 2050. Under PM C.1b, it is assessed that passengers would spend 15 minutes (lower bound) to 30 minutes (upper bound) less when looking for information on their reimbursement process. Considering the consumer value of time estimated at EUR 22.7 per hour[298] in 2021 prices, the hassle costs for 2025, 2030, 2040 and 2050 relative to the baseline are provided in the table below. Per consumer, they are estimated at EUR 5.7 to 11.4. Expressed as present value over 2025-2050, they are estimated at EUR 1,679.1 million to EUR 3,358.2 million.

Table 125: Hassle costs savings for consumers due to PM C.1b

	2025	2030	2040	2050
Number of air passengers booking via intermediaries who request reimbursement	13,513,196	14,738,556	17,135,768	19,038,801
Hassle costs savings (EUR)				
Lower bound estimate	76,695,886	83,650,576	97,256,261	108,057,166
Upper bound estimate	153,391,773	167,301,152	194,512,521	216,114,333

Source: PWC, TIS and Steer (2023), Impact assessment support study

PM C.1c: Intermediaries and carriers to inform passengers on the reimbursement process and the option for the passenger to choose between intermediary and carrier for requesting reimbursement. Intermediaries to inform whether they charge a fee for the reimbursement request

PM C.1c imposes an obligation on intermediaries and carriers to inform passengers (a) before booking on their websites, (b) on the booking receipt, (c) when the right to reimbursement is triggered and they are (made) aware of this: on the reimbursement process and the option for the passenger to choose between intermediary and carrier for requesting reimbursement. Intermediaries would need to inform whether they charge a fee for the reimbursement request.

Administrative costs for intermediaries ticket vendors and air carriers to inform passengers on the reimbursement process

The measure aims at ensuring that intermediary ticket vendors and air carriers provide pre-purchase information to all air passengers. This measure would require intermediaries and air carriers to update their online procedures regarding the information passed on to passengers.

Thus, it is expected that 123,000 intermediary ticket vendors would incur one-off administrative costs for implementing this measure. According to evidence collected in the targeted consultation, 2 additional working days on one-off basis would be needed to deal with the

[297] According to evidence provided by the same airline for 2019. One large OTA provided a similar figure for reimbursement requests in 2019 (3.2%). However, evidence from an airline association shows that on average 6% of passengers booking via intermediaries request reimbursement. In turn, one large LCC pointed out that reimbursement requests represented 0.5% of passengers booking via intermediary ticket vendors. The mid-point of these figures has been considered for the estimations, i.e. on average 3% of passengers booking via intermediary ticket vendors request reimbursement.

[298] Source: https://www.eurocontrol.int/sites/default/files/publication/files/standard-input-for-eurocontrol-cost-benefit-analyses-2018-edition-8-version-2.6.pdf.

changes that this measure would impose. Assuming an hourly worker's wage corresponding to ISCO 3 (technicians and associate professionals) and 7.5 working hours per day, it is estimated that this measure would lead to one-off administrative costs for intermediary ticket vendors of EUR 57.4 million in 2025 relative to the baseline (EUR 467 per intermediary ticket vendor on average), of which EUR 54.6 million for SMEs.

Table 126: One-off administrative costs for intermediary ticket vendors due to PM C.1c

ISCO 3 Technicians and associate professionals hourly wage (EUR per hour in 2021 prices)	31.1
Working days to implement changes	2
Workday (in hours)	7.5
Number of stakeholders affected	123,000
One-off administrative costs in 2025 (EUR), of which for:	**57,424,559**
SMEs	**54,553,331**

Source: PWC, TIS and Steer (2023), Impact assessment support study

In addition, taking into account the 149 airlines operating in the EU and 2 additional working days on one-off basis to deal with the changes that this measure would impose, the one-off administrative costs for air carriers are estimated at EUR 69,563 in 2025.

Table 127: One-off administrative costs for air carriers due to PM C.1c

ISCO 3 Technicians and associate professionals hourly wage (EUR per hour in 2021 prices)	31.1
Working days to implement changes	2
Workday (in hours)	7.5
Number of stakeholders affected	149
One-off administrative costs in 2025 (EUR)	**69,563**

Source: PWC, TIS and Steer (2023), Impact assessment support study

Administrative costs for air carriers to process manual reimbursement to passengers in case of indirect sales via intermediaries

Under PM C.1c, passengers will have the choice to request reimbursement from the carrier or the intermediary in case of indirect ticket sales. Similar to PM C.1a, air carriers are expected to incur additional costs for processing manual reimbursement whenever passengers opt for requesting reimbursement from carriers. For assessing the costs, it has been assumed that around 20% of passengers may request reimbursement from the carrier. All other assumptions are the same as explained under PM C.1a.

Therefore, the recurrent administrative costs for carriers to process reimbursements manually are estimated at EUR 14.8 million in 2025, EUR 16.1 million in 2030 and EUR 20.8 million in 2050. Expressed as present value over 2025-2050, the recurrent administrative costs amount to EUR 323.4 million relative to the baseline.

For the purpose of the application of the 'one in, one out' approach, the annual average number of passengers' requests affected over 2025-2035 is estimated at 1,377,722. Considering the cost

per passenger request to process the manual reimbursement (EUR 7.1), the annual average administrative costs over 2025-2035 are estimated at EUR 16.1 million per year.

Table 128: Recurrent administrative costs for carriers due to PM C.1c

	2025	2030	2040	2050
Percentage of intermediaries acting as the MoR of the transaction (%)	27%	27%	27%	27%
Percentage of passengers requesting reimbursement (%)	3%	3%	3%	3%
Share of passengers requesting reimbursement from the carrier (%)	19.8%	19.8%	19.8%	19.8%
Number of passengers' requests affected	1,261,377	1,375,757	1,599,523	1,777,160
Cost per passenger request to process manual reimbursement (EUR, in 2021 prices)	11.7	11.7	11.7	11.7
Recurrent administrative costs (EUR, in 2021 prices)	**14,773,151**	**16,112,763**	**18,733,488**	**20,813,957**

Source: PWC, TIS and Steer (2023), Impact assessment support study

Administrative costs savings for intermediary ticket vendors

As intermediaries would no longer handle a part of the reimbursement requests which they would otherwise have handled (considering that passengers have the choice to request reimbursements from the carrier or the intermediary ticket vendors), this measure is expected to result in costs savings for intermediaries relative to the baseline. In the context of the targeted consultation, one large intermediary stated that the cost of manually processing reimbursements for passengers is between EUR 5 to EUR 7 per passenger. The median has been chosen for the estimates below (EUR 6 per passenger).

The total administrative costs savings for intermediary ticket vendors are thus estimated at EUR 7.6 million in 2025, EUR 8.3 million in 2030 and EUR 10.7 million in 2050 relative to the baseline. Expressed as present value over 2025-2050, the administrative costs savings for intermediary ticket vendors are estimated at EUR 165.7 million, of which EUR 157.4 for SMEs.

However, intermediaries may incur indirect costs as a result of no longer being able to offer the processing of reimbursements to their customers (and to airlines, as part of their agreements with them) as part of their service package. It may also damage to a certain extent their business model of maintaining an exclusive relationship with their customers. No data on this is available, but during the stakeholder consultation, intermediaries and their associations have pointed out that they want to continue processing the reimbursements of their customers.

For the purpose of the application of the 'one in, one out' approach, the annual average number of passengers affected over 2025-2035 is estimated at 1,377,722. Considering the costs savings per passenger for processing the manual reimbursement (EUR 6), the annual average administrative costs over 2025-2035 are estimated at EUR 8.3 million per year.

Table 129: Recurrent administrative costs savings for intermediary ticket vendors due to PM C.1c

	2025	2030	2040	2050
Number of passengers' requests affected	1,261,377	1,375,757	1,599,523	1,777,160
Cost saving per passenger for processing manual reimbursement (EUR, in 2021 prices)	6	6	6	6

	2025	2030	2040	2050
Recurrent administrative costs savings (EUR, in 2021 prices), of which for:	**7,568,263**	**8,254,544**	**9,597,137**	**10,662,958**
SMEs	7,189,850	7,841,817	9,117,280	10,129,810

Source: PWC, TIS and Steer (2023), Impact assessment support study

Hassle costs for consumers (for requesting the reimbursement from air carriers)

Requesting reimbursement from air carriers is expected to lead to additional hassle costs for consumers, given the additional information that will need to be provided before requesting their reimbursement in case of tickets bought via intermediaries. As previously pointed out, airlines do not often have all the necessary information from passengers to be able to issue the reimbursement. Therefore, passengers may be requested to go through lengthy processes for providing their information to carriers before being able to request their reimbursement. According to some carriers in the stakeholder consultation, the following details may be needed: the PNR (passenger name record), the ticket number, proof of identity, name of the passenger(s), the email address of the passenger(s), the bank details of the customer(s) (IBAN/BIC and name of the bank), proof that the ticket was not paid for by a corporate third-party (business travelling), confirmation that the costumer has not done a chargeback via their credit card. As in PM C.1a, it is assumed that passengers would need between 30 and 50 minutes to search for and provide all the information requested.

As explained above, alternatively, some airlines currently use an automatic verification system to issue reimbursements to passengers who booked via intermediaries. In order to overcome issues arising and the cost of the manual verification process, at least three low-cost carriers have implemented or are implementing an online verification tool provided by a third-party, which expedites the process of reimbursement and streamlines it, as the manual verification from customer service agents may have taken too long and be too costly. In such cases, passengers are required to use facial recognition technology to verify the passengers' details, as described in the specific case of one of these low-cost carriers[299].

It is estimated that passengers requesting reimbursement via a general online form of the intermediary may spend on average 10 minutes doing so. Therefore, the additional time spent per reimbursement request to air carriers, for providing the information requested by them, is estimated at 20 to 40 minutes. This excludes the cases when an automatic verification system is used, in which case no additional time would be needed.

As explained above, the number of passengers' requests affected by PM C.1c is estimated at 1.3 million in 2025, 1.4 million in 2030 and 1.8 million in 2050. These exclude the requests for which an automatic verification system is used. Considering the consumer value of time estimated at EUR 22.7 per hour[300] in 2021 prices, and the additional time spent per reimbursement request of 20 minutes (lower bound estimate) to 40 minutes (upper bound estimate), the hassle costs for 2025, 2030, 2040 and 2050 relative to the baseline are provided in the table below. Per consumer, they are estimated at EUR 7.6 to 15.1. Expressed as present value over 2025-2050, they are estimated at EUR 301.8 million to EUR 603.5 million.

Table 130: Hassle costs for consumers due to PM C.1c

	2025	2030	2040	2050
Number of passengers' requests affected	1,261,377	1,375,757	1,599,523	1,777,160

[299] Available at: https://www.ryanair.com/ie/en/useful-info/help-centre/terms-and-conditions.
[300] Source: https://www.eurocontrol.int/sites/default/files/publication/files/standard-input-for-eurocontrol-cost-benefit-analyses-2018-edition-8-version-2.6.pdf.

Hassle costs (EUR)				
Lower bound estimate	9,545,478	10,411,050	12,104,398	13,448,665
Upper bound estimate	19,090,956	19,783,414	24,208,795	26,897,331

Source: PWC, TIS and Steer (2023), Impact assessment support study

Hassle costs savings for consumers (clarity of the information available)

PM C.1c would also provide greater clarity to passengers, who would no longer be sent around and could be sure that the company they would approach for their refund (as explained under the information obligation) would indeed process the refund. This would ensure that passengers save time when searching for the information on whom they should approach for their reimbursement, providing greater confidence to consumers.

On average, as explained above, 3% of passengers booking via intermediaries request reimbursement[301], and around 46% of air passengers book their tickets via intermediaries. In the baseline scenario, the total number of air passengers booking via intermediaries who request reimbursement is projected at 13.5 million in 2025, 14.7 million in 2030 and 19 million in 2050. Under PM C.1c, it is assessed that passengers would spend 15 minutes (lower bound) to 30 minutes (upper bound) less when looking for information on their reimbursement process. Considering the consumer value of time estimated at EUR 22.7 per hour[302] in 2021 prices, the hassle costs for 2025, 2030, 2040 and 2050 relative to the baseline are provided in the table below. Per consumer, they are estimated at EUR 5.7 to 11.4. Expressed as present value over 2025-2050, they are estimated at EUR 1,679.1 million to EUR 3,358.2 million.

Table 131: Hassle costs savings for consumers due to PM C.1c

	2025	2030	2040	2050
Number of air passengers booking via intermediaries who request reimbursement	13,513,196	14,738,556	17,135,768	19,038,801
Hassle costs savings (EUR)				
Lower bound estimate	76,695,886	83,650,576	97,256,261	108,057,166
Upper bound estimate	153,391,773	167,301,152	194,512,521	216,114,333

Source: PWC, TIS and Steer (2023), Impact assessment support study

PM C.2a: Intermediary may not charge a fee for processing the passenger's reimbursement request

This measure is expected to impact intermediaries who charge passengers reimbursement fees. According to evidence from stakeholders and desk research in the context of the impact assessment support study, approximately 10% of intermediary ticket vendors charge a fee for reimbursement, which varies between EUR 25 and EUR 60. However, it is expected that this loss of revenue will be passed on to consumers through other fees. Assuming EUR 25 that would be charged by 10% of intermediaries, this represents around EUR 0.43 increase in fees passed on to passengers per ticket. Overall, this is expected to have marginal effects on the business model of intermediaries and their costs, and on the average cost of tickets.

[301] According to evidence provided by the same airline for 2019. One large OTA provided a similar figure for reimbursement requests in 2019 (3.2%). However, evidence from an airline association shows that on average 6% of passengers booking via intermediaries request reimbursement. In turn, one large LCC pointed out that reimbursement requests represented 0.5% of passengers booking via intermediary ticket vendors. The mid-point of these figures has been considered for the estimations, i.e. on average 3% of passengers booking via intermediary ticket vendors request reimbursement.

[302] Source: https://www.eurocontrol.int/sites/default/files/publication/files/standard-input-for-eurocontrol-cost-benefit-analyses-2018-edition-8-version-2.6.pdf.

PM C.2b: Intermediary may charge a fee for processing the passenger's reimbursement request

No significant costs are expected to be borne by either intermediaries or airlines, as under the baseline some intermediaries already charge a fee for processing the passenger's reimbursement request. For this reason, no significant impact is also expected on passengers.

PM C.3: (MoR) Intermediary to enable the passenger (with the data needed) to request the reimbursement directly to the carrier

No significant costs are expected due to this measure for intermediary ticket vendors. The costs savings for intermediaries asociated to the reimbursement are explained under PM C.1a. Both PM C.1a and PM C.3 are included in PO 3.1.

Hassle costs savings for consumers

Many intermediaries generate their own ticket identification numbers or booking references, with the consequence that the passenger does not know the carrier's booking reference and cannot provide it when asking the carrier for a reimbursement[303]. By providing the passenger with the data needed to request the reimbursement directly to the carrier, passengers will benefit from less time for requesting their reimbursement, in the case of airlines with an indirect booking model. Under PM C.3 passengers are estimated to save 10 to 20 minutes when requesting their reimbursement from air carriers due to the information provided by the intermediary. No additional benefits are expected for passengers with bookings with large low-cost carriers using an automatic verification tool.

As explained under PM C.1a, included in PO 3.1 together with PM C.3, the number of air passengers' requests affected by this measure is 6.3 million in 2025, 6.9 million in 2030 and 8.9 million in 2050. These exclude the requests for which an automatic verification system is used. Considering the consumer value of time estimated at EUR 22.7 per hour[304] in 2021 prices, and the time saved per reimbursement request of 10 minutes (lower bound estimate) to 20 minutes (upper bound estimate), the hassle costs savings for 2025, 2030, 2040 and 2050 relative to the baseline are provided in the table below. Per consumer, they are estimated at EUR 3.8 to 7.6. Expressed as present value over 2025-2050, they are estimated at EUR 522.5 million to EUR 1,044.9 million.

Table 132: Hassle costs savings for consumers due to PM C.3

	2025	2030	2040	2050
Number of passengers' requests affected	6,306,886	6,878,786	7,997,614	8,885,799
Hassle costs savings (EUR)				
Lower bound estimate	23,863,695	26,027,626	30,260,994	33,621,663
Upper bound estimate	47,727,390	52,055,252	60,521,988	67,243,327

Source: PWC, TIS and Steer (2023), Impact assessment support study

[303] It is assumed that this would normally cover all situations where the passenger had not yet received a boarding pass.

[304] Source: https://www.eurocontrol.int/sites/default/files/publication/files/standard-input-for-eurocontrol-cost-benefit-analyses-2018-edition-8-version-2.6.pdf.

PM C.4 Additional rules when intermediaries which are a 'Merchant of Record' are involved

(1) ***When the passenger requests the reimbursement:*** *intermediary to enable the passenger (with the data needed and which only the intermediary has, such as carrier booking reference) to request the reimbursement directly to the carrier.*

If the intermediary does not agree to process the reimbursement request, it shall enable the passenger ***at booking****, with the data needed and which only he has, to request the reimbursement directly from the carrier.*

This element of PM C.4 is not expected to have a significant impact on costs for the industry, as only minor changes are required. On the other hand, it is expected to lead to hassle costs savings for consumers as explained below.

Hassle costs savings for consumers

Many intermediaries generate their own ticket identification numbers or booking references, with the consequence that the passenger does not know the carrier's booking reference and cannot provide it when asking the carrier for a reimbursement[305]. By providing the passenger with the data needed to request the reimbursement directly to the carrier, passengers will benefit from less time for requesting their reimbursement, in the case of airlines with an indirect booking model. Similarly to PM C.3, under PM C.4 passengers of network carriers and small low-cost carriers are estimated to save 10 to 20 minutes when requesting their reimbursement from air carriers due to the information provided by the intermediary. No additional benefits are expected for passengers with bookings with large low-cost carriers using an automatic verification tool.

In PO 3.2, including PM C.1b together with PM C.4, it is expected that the number of requests for reimbursement to carriers and intermediaries remains unchanged compared to the baseline. Therefore, no hassle costs savings for consumers are estimated due to this measure.

In PO 3.3, including PM C.1c together with PM C.4, the number of air passengers' requests affected by this measure is estimated at 1.3 million in 2025, 1.4 million in 2030 and 1.8 million in 2050. These exclude the requests for which an automatic verification system is used (large low cost carriers). Considering the consumer value of time estimated at EUR 22.7 per hour[306] in 2021 prices, and the time saved per reimbursement request of 10 minutes (lower bound estimate) to 20 minutes (upper bound estimate), the hassle costs savings for 2025, 2030, 2040 and 2050 relative to the baseline are provided in the table below. Per consumer, they are estimated at EUR 3.8 to 7.6. Expressed as present value over 2025-2050, they are estimated at EUR 104.5 million to EUR 209 million.

Table 133: Hassle costs savings for consumers due to PM C.4 in PO 3.3

	2025	2030	2040	2050
Number of passengers' requests affected	1,261,377	1,375,757	1,599,523	1,777,160
Hassle costs savings (EUR)				
Lower bound estimate	4,772,739	5,205,525	6,052,199	6,724,333
Upper bound estimate	9,545,478	10,411,050	12,104,398	13,448,665

[305] It is assumed that this would normally cover all situations where the passenger had not yet received a boarding pass.

[306] Source: https://www.eurocontrol.int/sites/default/files/publication/files/standard-input-for-eurocontrol-cost-benefit-analyses-2018-edition-8-version-2.6.pdf.

Source: PWC, TIS and Steer (2023), Impact assessment support study

(2) Carrier to reimburse the intermediary at the latest within 7 days, in one transaction, via the same payment method used at the time of booking, and linking the payment with the original booking reference. The intermediary has to reimburse the passenger at the latest within another 7 days.

This element of PM C.4 may lead to costs savings for some intermediaries who have to advance payments to passengers ahead of the carrier paying them compared to the baseline. However, there is no reliable data that allow estimating such savings for the entire industry.

In addition, ensuring that reimbursements by carriers are made in one transaction and linked to the amount paid with the specific original booking number is also expected to lead to some costs savings for intermediaries, as, under the baseline, some intermediaries carry out manual verification procedures to link the amount received by the carrier to the passenger's booking number, as pointed out by two large OTAs and one intermediary association.

(3) If the intermediary did not receive the carrier's reimbursement, with the result that the intermediary did not reimburse the passenger within 14 days,

a. The passenger can request the reimbursement from the carrier. The carrier shall reimburse the passenger within 7 days.

On average 5% of passengers are currently paid after 14 days[307]. Under the baseline, passengers are already entitled to request reimbursement from carriers if the intermediary does not process their reimbursement. Therefore, no additional costs or costs savings are expected from this element of PM C.4.

b. The intermediary can reimburse the passenger by advancing the money to the carrier.

Some intermediaries already advance payments to passengers ahead of the carrier paying them under the baseline. No additional costs are foreseen for intermediaries, as they will have the choice of advancing the money or not.

(4) If the intermediary received the carrier's reimbursement and did not reimburse the passenger within 14 days, the passenger can request the reimbursement from the carrier.

As this is already the case under the baseline, no cost implications are foreseen.

[307] The 5% of reimbursements taking longer than 14 days to be paid to passengers is linked to the share of BSP remittance periods made on a monthly basis, which we assume to have a greater likelihood of reaching the passenger's bank account after 14 days. We applied the 10.9% of BSP payments on a monthly basis to the respective shares of intermediary flows within IATA (GDS and non-GDs), which led to 5% of ticket bookings who may most likely receive their payments after 14 days. It is also important to point out that under PO 3.2, carriers are incentivised to reimburse the intermediary within their deadline of 7 days in order to avoid any additional administrative costs that they would incur if the passenger contacted them for reimbursement. Intermediaries are also incentivised to comply with their reimbursement deadline as otherwise, carriers would no longer choose them for processing the reimbursement.

Summary of costs and costs savings by option and by measure (problem area 3)

The summary of recurrent and one-off costs and costs savings by option and by measure, expressed as present value over 2025-2050, and for 2025, 2030 and 2050 relative to the baseline are provided in the tables below.

Table 134: Recurrent and one-off costs and costs savings in the POs, expressed as present value relative to the baseline, in million EUR (2021 prices)

	Difference to the Baseline		
	PO 3.1	PO 3.2	PO 3.3
Carriers			
Administrative costs	1,617.22	0.07	323.50
PM C.1a	1,617.22		
PM C.1b		0.07	
PM C.1c			323.50
Intermediaries			
Administrative costs	57.42	57.42	57.42
PM C.1a	57.42		
PM C.1b		57.42	
PM C.1c			57.42
Administrative costs savings	828.47	0.00	165.69
PM C.1a	828.47		
PM C.1c			165.69
Consumers			
Hassle costs	1,044.90	0.00	301.76
PM C.1a*	1,044.90		
PM C.1c*			301.76
Hassle costs savings	2,201.57	1,679.11	1,783.61
PM C.1a*	1,679.11		
PM C.1b*		1,679.11	
PM C.1c*			1,679.11
PM C.3*	522.45		
PM C.4*			104.49
Total costs	2,719.55	57.49	682.69
Total costs savings	3,030.03	1,679.11	1,949.30
Net benefits	310.48	1,621.62	1,266.61
Benefits to costs ratio	1.1	29.2	2.9

*Source: PWC, TIS and Steer (2023), Impact assessment support study; Note: * stands for the lower bound of the hassle costs and costs savings estimates. When considering the upper bound of the hassle costs and costs savings estimates, the net benefits of PO 3.1 are estimated at EUR 1,467.1 million, of PO 3.2 at EUR 3,300.7 million and of PO 3.3 at EUR 2,748.5 million, while the benefits to costs ratio at 1.4, 58.4 and 3.8 respectively.*

Table 135: One-off administrative costs in the POs relative to the baseline scenario, in million EUR (2021 prices)

	Difference to the Baseline		
	PO 3.1	PO 3.2	PO 3.3
Carriers			
One-off administrative costs	0.07	0.07	0.07
PM C.1a	0.07		
PM C.1b		0.07	

	Difference to the Baseline		
	PO 3.1	PO 3.2	PO 3.3
Carriers			
PM C.1c			0.07
Intermediaries			
One-off administrative costs	57.42	57.42	57.42
PM C.1a	57.42		
PM C.1b		57.42	
PM C.1c			57.42

Source: PWC, TIS and Steer (2023), Impact assessment support study

Table 136: Recurrent and one-off costs for carriers in the POs, in 2025, 2030 and 2050 relative to the baseline scenario, in million EUR (2021 prices)

	Difference to the Baseline								
	PO 3.1			PO 3.2			PO 3.3		
	2025	2030	2050	2025	2030	2050	2025	2030	2050
Administrative costs	73.94	80.56	104.07	0.07	0.00	0.00	14.84	16.11	20.81
PM C.1a	73.94	80.56	104.07						
PM C.1b				0.07					
PM C.1c							14.84	16.11	20.81
Total costs	73.94	80.56	104.07	0.07	0.00	0.00	14.84	16.11	20.81

Source: PWC, TIS and Steer (2023), Impact assessment support study

Table 137: Recurrent and one-off costs and costs savings for intermediaries in the POs, in 2025, 2030 and 2050 relative to the baseline scenario, in million EUR (2021 prices)

	Difference to the Baseline								
	PO 3.1			PO 3.2			PO 3.3		
	2025	2030	2050	2025	2030	2050	2025	2030	2050
Administrative costs	57.42	0.00	0.00	57.42	0.00	0.00	57.42	0.00	0.00
PM C.1a	57.42								
PM C.1b				57.42					
PM C.1c							57.42		
Administrative costs savings	37.84	41.27	53.31	0.00	0.00	0.00	7.57	8.25	10.66
PM C.1a	37.84	41.27	53.31						
PM C.1c							7.57	8.25	10.66
Net benefits	-19.58	41.27	53.31	-57.42	0.00	0.00	-49.86	8.25	10.66

Source: PWC, TIS and Steer (2023), Impact assessment support study; Note: negative values for 'net benefits' represent net costs.

Table 138: Benefits for consumers in the POs, in 2025, 2030 and 2050 relative to the baseline scenario, in million EUR (2021 prices)

	Difference to the Baseline								
	PO 3.1			PO 3.2			PO 3.3		
	2025	2030	2050	2025	2030	2050	2025	2030	2050
Hassle costs	47.73	52.06	67.24	0.00	0.00	0.00	9.55	10.41	13.45
PM C.1a*	47.73	52.06	67.24						
PM C.1c*							9.55	10.41	13.45
Hassle costs savings	100.56	109.68	141.68	76.70	83.65	108.06	81.47	88.86	114.78
PM C.1a*	76.70	83.65	108.06						
PM C.1b*				76.70	83.65	108.06			
PM C.1c*							76.70	83.65	108.06
PM C.3*	23.86	26.03	33.62						

	Difference to the Baseline								
	PO 3.1			PO 3.2			PO 3.3		
	2025	2030	2050	2025	2030	2050	2025	2030	2050
PM C.4*							4.77	5.21	6.72
Net benefits	52.83	57.62	74.44	76.70	83.65	108.06	71.92	78.45	101.33

*Source: PWC, TIS and Steer (2023), Impact assessment support study; Note: * stands for the lower bound of the hassle costs and costs savings estimates.*

ANNEX 5: COMPETITIVENESS CHECK

1. OVERVIEW OF IMPACTS ON COMPETITIVENESS

Dimensions of competitiveness	**Impact of the initiative (++ / + / 0 / - / -- / n.a.)**	**References to sub-sections of the main report or annexes**
Cost and price competitiveness	-	Section 6.1 on economic impacts (in particular sections 6.1.1, 6.1.2, 6.1.3 and 6.1.5) as well as section 6.2 on social impacts
Capacity to innovate	+	Section 6.1.8 on impacts on digitalisation
International competitiveness	0	Section 6.1 for enforcement related to carriers: the new rules will apply to EU carriers and non-EU carriers equally, so the level playing field remains the same. Section 6.1 and 6.1.1 for reimbursements through intermediaries: new rules applying to air carriers will apply to EU and non-EU carriers operating flights departing from an airport located on the territory of an EU Member State.
SME competitiveness	+/-	Section 6.1.6 on impacts on SMEs as well as Annex 8 – SME Test

2. SYNTHETIC ASSESSMENT

2.1. COST AND PRICE COMPETITIVENESS

The package of preferred policy options will entail compliance costs for carriers, intermediaries, and terminal operators. However, this will only constitute an overall impact of very moderate magnitude on these stakeholders' costs. No major restructuring of the sector is expected for any of the modes considered. It is anticipated that the measures proposed will not require large increases in staff numbers, nor changes in competencies. Hence, they will not have a significant impact on the labour costs. The potential for cost pass-through to passengers via an increase in ticket prices has been assessed and is estimated to be unsignificant. Therefore, the price competitiveness of carriers and intermediaries will remain largely unaffected.

On the other hand, the increased transparency regarding compliance and protection offered may affect passengers' choices. Establishing service quality standards and publishing carrier's results on these standards will provide transparency on the best performing carriers in terms of passenger rights. Therefore, compliance with passenger rights is likely to become a factor on which carriers can compete, albeit marginally. This may provide a competitive advantage to well-performing carriers, while incentivising all carriers to comply with passenger rights. The publication of NEBs' risk assessments is expected to increase the general level of monitoring

and enforcement across the EU. Operators located in Member States with less active NEBs will no longer unfairly benefit from the competitive advantage of being monitored less frequently for their compliance with passenger rights.

In addition, there is a possibility for carriers and intermediaries to become first movers on the multimodal market, providing for a competitive advantage.

2.2. CAPACITY TO INNOVATE

The package of preferred policy options will promote the digitalisation of several business practices and increase the usability for passengers and speed up internal processes. The Commission will support the development of a prototype of an e-surveillance tool (Web Crawler). The e-surveillance tool could automate the process of monitoring the industry's compliance with passenger rights, specifically online information obligations. The promotion of real time information can facilitate more entrants to the multimodal market and can enhance the sharing of data for the benefit of both the passenger and third parties involved in the booking process, in particular ticket vendors and tour operators. Thanks to the sharing of real-time information from carriers to other businesses such as ticket vendors, the latter would be in a position to adapt and improve their multimodal travel offers for passengers. Intermediaries are likely to take up digital solutions in order to ensure their new reimbursement deadline of 7 days to their customers can be complied with.

2.3. INTERNATIONAL COMPETITIVENESS

The preferred options are anticipated to have no impact on international competitiveness.

The new rules on enforcement will apply in the same way to EU carriers and third country carriers which have to comply with EU passenger rights, therefore the level playing field between them will remain the same.

The new rules on multimodal passenger rights will apply to (i) EU air carriers operating flights departing from and arriving at EU airports, and non-EU carriers operating flights departing from EU airports; (ii) railway undertakings licensed by EU Member States; (iii) EU waterborne carriers and non-EU waterborne carriers where the port of disembarkation is situated in the EU; (iv) regular bus and coach services for non-specified categories of passengers where the boarding or the alighting point of the passengers is situated in the territory of a Member State and where the scheduled distance of the service is 250 km or more; (v) ticket vendors and tour operators, both EU and non-EU, offering multimodal tickets concerning a combination of services from (i) to (iv); and (vi) multimodal hubs located in EU Member States. Given the application of the rules to both EU and non-EU carriers, ticket vendors and tour operators operating in the EU, there would be no significant competitive disadvantage of non-EU undertakings because of the clear and uniform legal framework where they decide to offer tickets to passengers.

The rules regarding reimbursement of air tickets when intermediaries are involved will apply to EU and non-EU air carriers operating flights departing from an EU airport.

2.4. SME COMPETITIVENESS

SMEs represent a big part of the impacted stakeholders, as they are numerous in the ticket vending sector, and many bus and coach and waterborne carriers are SMEs as well. The package of preferred policy options is anticipated to entail some compliance costs for SMEs carriers and intermediaries that are only partly compensated by the benefits (see Annex 8). All policy measures proposed in the area of multimodal passenger rights result in net benefits for SME

intermediaries. Limited costs for SMEs are expected as a result of the policy measures on enforcement and the reimbursement of air tickets booked via them.

On the other hand, better information to intermediaries in the multimodal context gives them the possibility to sell tickets and inform passengers in a way that is currently not possible, thereby giving them a chance to expand their market. This was however not possible to quantify. The competitiveness of SME air intermediaries might be strengthened through an official role in the reimbursement process.

ANNEX 6: DISCARDED MEASURES

During the Impact Assessment process, a number of possible policy measures have been discarded, based on the analytical work and feedback from the stakeholders. This annex gives a detailed description of policy measures discarded at an early stage of the impact assessment.

Table 139 - Discarded measures

	POLICY MEASURE	REASON FOR DISCARDING
PROBLEM 1	Member States are required to set up a national digital platform for complaint handling process. This platform would be accessible to all passengers, carriers, NEBs as appropriate	This policy measure was considered because it was presented as good practice already implemented by one Member State. However, in that Member State the digital platform covers all consumer services (transport, public utilities, communication sale of consumer goods, etc), therefore the establishment of such digital platform is much more cost effective than to establish such a platform for passenger transport services only. Establishment of a digital platform for passenger transport services only would cause disproportionate costs.
PROBLEM 1	Give the European Commission a mandate to perform quality control of the monitoring and enforcement practices of the NEBs (based on this mandate, the Commission could request immediate remediation to the NEBs)	Enforcement by NEBs varies depending on their competences given to them according to national law (including on binding/non-binding decisions, effective sanctioning, handling of individual complaints, etc). Whilst in its current role the Commission does monitor the enforcement practices of the NEBs, it does not have a mandate to assess and control the quality of the enforcement practices of the NEBs. Most stakeholders participating in the targeted public consultation in all stakeholder groups opposed such a measure. Policy measure A.5 which would impose the obligation on NEBs to carry out monitoring activities on the basis of a risk assessment which would allow the Commission to assess whether NEBs take monitoring action on the basis of the risks identified was inspired by this discarded policy measure.
PROBLEM 1	Carriers and intermediaries to execute automated reimbursement payments to passengers who opted for reimbursement (when given choice between reimbursement and re-routing /journey continuation) and who provided the necessary information at the time of purchasing the ticket and as far as legally and technically feasible (still with the choice of the means for the passenger)	This policy measure would be difficult to implement as the information on whether the passenger has made the choice between re-routing and reimbursement could be hard to monitor, meaning that the passenger possibly could lose the re-routing option if the reimbursement was automatically administered. Instead, an easily accessible form for reimbursement requests is applicable in the preferred option.
PROBLEM 1	Encourage NEBs to organise joint assessments of carriers and terminal operators, in which the Commission could occasionally participate as an observer	This policy measure was considered because a joint assessment of carriers and terminal operators is a successful pilot project under the auspices of the European Civil Aviation Conference's (ECAC) PRM Facilitation Subgroup. Several NEBs responsible for the enforcement of Regulation (EC) 1107/2006 participated in such joint assessments. It was discarded because the NEBs concerned indicated that such a joint assessment is based on very detailed standards which are difficult to adopt in case of other passenger rights Regulations. As a non-binding measure, it was assessed as likely to have limited impact on the objective of ensuring effective

		enforcement, complaint handling and reimbursement for passengers
PROBLEM 1	Encourage the industry to adopt "passenger friendly" labels, to be granted to those carriers or terminal operators that agree to disclose public data on their performance related to passenger rights (whether they have a plan how to implement the Regulations, their key performance indicators related to punctuality, handling passenger complaints, assisting PRM passengers, etc.), and where such data indicate good performance	This would have been a non-binding measure, so it is likely that it could have had limited impact on the objective of ensuring effective enforcement, complaint handling and reimbursement for passengers.
PROBLEM 1	Carriers and terminal operators shall adopt a plan to implement their quality standards. The plan shall describe the methods and procedures which are to be followed by the carrier and terminal operator in order to comply with the plan. The plan shall be submitted to the NEB or any other appropriate authority designated by the Member State, which may take further action if appropriate. Carriers shall publish their approved implementation plans on their website	This policy measure was not supported by the majority of stakeholders in all stakeholder groups (with the exception of NEBs). It was considered that imposing such obligations on carries and terminal operators would be a disproportionate burden on them.
PROBLEM 1	The Commission will adopt formal Recommendations on the interpretation and application of passenger rights after consulting the Passenger Rights Comitology Committee (All modes except air as the same policy measure exists in the 2013 Commission proposal on the revision of air passenger rights)	This measure will not add any additional costs, as the Committee will meet at the same interval as the already existing Expert Groups. Therefore, it was deemed not necessary to do a cost-benefit analysis of the measure
PROBLEM 2	Encourage the conclusion of voluntary agreements across transport modes regarding journey continuation, as well as the communication on such agreements towards passengers, ticket vendors and tour operators	This policy measure would have been a non-binding measure, meaning that it would have been unlikely to have a major impact. In addition, such a policy measure would require that a similar measure is already applied within the transport modes first, which is currently not the case.
PROBLEM 3	Ensure that the MoR intermediary passes to the airline the passenger's original form of payment, so that the airline can reimburse the passenger directly, without the involvement of the intermediary.	When the intermediary is the Merchant of Record, it cannot pass on the customer's credit card information, as the intermediary does not have it. The credit card details are stored in the safe environment of the credit card's acquirer and not the merchant. The merchant can process the reimbursement through the acquirer.
PROBLEM 3	Ensure that the intermediary pre-finances the reimbursement (before having received it from the carrier) – either fully, or only when the carrier has not paid the intermediary within the deadline	The liquidity position of travel intermediaries may not allow to pre-finance reimbursements, especially if a lot of reimbursement requests are made at the same time. At least 95% of travel intermediaries are SMEs. 51% in terms of numbers are not part of IATA's Billing and Settlement Plan (BSP, a private industry mechanism), through which, for most reimbursement transactions, their liquidity position may be better[308]. However, also under this system there are risks to intermediaries

[308] IATA and travel intermediaries disagree on this point. (Stakeholder meeting (IATA and travel intermediaries) held on 8 May 2023 and position paper by travel intermediary stakeholders received on 12 May 2023.)

		when they pre-finance the reimbursement: the airline might be suspended from the BSP, despite an approved automated GDS refund, or the airline may become insolvent, in which case the intermediary would most likely not be able to recover any pre-financed amounts from the airlines.
PROBLEM 3	Joint and several liability between intermediaries and carriers for the reimbursement	For reasons similar to the above, the intermediary should not be obliged to pre-finance the reimbursement payment of the carrier.
PROBLEM 3	Oblige (online) intermediaries to be "pass-through agents" (just passing on the customer's means of payment to the carrier, and not making a payment from their own accounts to the carrier) instead of "Merchants of Record", unless a valid agreement is in place between air carrier and intermediary, and which covers the reimbursement	This measure was discarded as it significantly differed from the current practices of the intermediaries, and the preferences of their customers. Intermediaries use their own payment details as Merchant of Record because the customer may want to use a different form of payment than the one that the airline accepts, e.g., pay by invoice, and the intermediary has to settle with the airline in another way. Another reason may be that the intermediary only wants to bill the customer one amount. If the customer's credit card is passed through to the airline, this may include several separate amounts (e.g., for the flight ticket, the service fee of the intermediary, rental car, etc.). A Tour Operator may include the air ticket as part of a package, and then charge the whole amount of the package under the name of the intermediary. The intermediary may add a mark-up to air ticket fares and thus charge only the total price to the customer under the intermediary's name.

ANNEX 7: DETAILED POLICY MEASURES

Table 140 - Detailed policy measures Problem 1

Passengers do not fully benefit from their rights due to shortcomings in implementation and enforcement		Detailed descriptions	Specific objectives
PM A.1	Carriers, terminal and infrastructure managers, ticket vendors and tour operators to provide the NEB with relevant documents and information at their request, without undue delay and in any event within one month from the receipt of the request (similar to what is already required under Article 32(2) of Regulation (EU) 2021/782 on rail passenger's rights and obligations). (All modes except rail as such a provision already exist in rail passenger rights)	The aim of the measure is to ensure that operators have a legal obligation to comply with information requests from the NEBs. While a failure to reply currently can result in procedural harm, NEBs will now be offered with an additional tool to ensure cooperation from market operators to the easement of the NEBs' enforcement efforts. Additionally, the measure provides a harmonisation of the procedural-deadline for replies across Member States.	SO1 PO 1.1 PO 1.2
PM A.2	Carriers shall establish service quality standards, implement a quality management system and publish biennial reports on the results. Terminal operators shall establish service quality standards, implement a quality management system, and disclose results with NEBs if requested to do so (All modes except rail as such a provision already exist in rail passenger rights)	The measures require that carriers and terminal operators establish standards on which their service quality will be evaluated. In the rail regulation, certain minimum requirements have been made as to what these standards must encompass, such as number of delays, cancellations complaint handling (number of complaints the problem raised in them, outcome) and customer satisfaction (e.g. results of customer surveys). Operators will have to monitor their performance on the basis of these standards: carriers will have to publish the results while terminal operators have to collect data about the results and send it to the responsible NEB if that NEB requests it.	SO1 PO 1.1 PO 1.2
PM A.3	The Commission adopts an EU-wide standardised form for reimbursements and compensation requests via an implementing act - carriers, ticket vendors and tour operators are obliged to accept this form, but passengers are not forced to use it (All modes except rail as such a provision already exist in rail passenger rights).	With this measure, the Commission will provide passengers with a standard and easily accessible claims form, which passengers will always be able to use, but won't be forced to use. This is to ensure a form and process for passengers, which serves them. If the carrier's or intermediary's form is not suitable for the passenger or the process is otherwise cumbersome, the passengers will always be able to resort to this EU-wide standard form.	SO2 PO 1.1 PO 1.2
PM A.4	Each Member State to require its NEB(s) to perform compliance monitoring activities of the carriers, terminal operators, ticket vendors and tour operators based on a risk assessment. The outline of this risk assessment and an explanation in general terms on how it has been developed has to be produced by the NEB(s) every two years.	The aim of this measure is to ensure that NEBs focus their monitoring and enforcement efforts on a relevant data- and information-based approach relying on an assessment of the risk for non-compliance against passenger rights. In this context, NEBs will then develop and implement monitoring programmes corresponding to the findings of the risk	SO1 PO 1.2

		assessment with a view to ensuring that operators perform according to passenger rights rules. While minimum requirements for the programme will be set up at EU level (e.g. inspections, audits, verifications etc), the design and implementation of the detailed programmes will be left to NEBs which are best equipped at operational level. Finally, swift rectification of non-compliances by operators should be ensured, as appropriate. Reporting to Commission will be made and will contribute to guarantee effectiveness at European level.	
PM A.5	Carriers and terminal operators to better inform passengers about their rights when booking their journeys, when a disruption occurs including on the complaint handling mechanisms with the view to raise their awareness about their rights (all modes)	With this measure, carriers and terminal operators will specify how they provide information to passengers effectively. Information to passengers on their rights will be succinct and made easily, prominently and directly available. It will have to be provided in a clear and comprehensible manner and not merely in the standard terms and conditions or similar contractual documents. It will have to be provided by electronic means as far as possible.. Operators and passengers will have a common understanding of the way information is shared, resulting in a higher level of awareness about passenger rights.	SO2 PO 1.2
PM A.6	Carriers, ticket vendors, tour operators and terminal operators are obliged to inform passengers about the ADR option and the ADR bodies (all modes) and NEBs are obliged to inform the passengers about the right to complain to ADR bodies to seek individual redress where necessary (in cases where the NEBs cannot decide individual cases) (all modes except rail)	The operators will have to will have to inform passengers about the possibility of using an ADR option, should a conflict arise. Furthermore, the operators will have to make the passengers aware of the different ADR Bodies, by providing a link for the EU ADR website. The information about ADR is intended to reduce judicialisation since it is an alternative public service to the judicial way which offers a faster and free option.	SO2 PO 1.1 PO 1.2

Table 141 - Detailed policy measures Problem 2

Insufficient protection of passengers during multimodal journeys		**Detailed description**	**Specific objectives**
PM B.1	Ensure that carriers, ticket vendors/tour operators and multimodal hub managers provide guidance to passengers on minimum connecting times and other useful information when switching between modes of transport, e.g., on accessibility of transport infrastructure (category A+B+C)	Under this measure carriers, ticket vendors/tour operators and multimodal hub managers have to provide essential pre-purchase information to multimodal passengers on the type of multimodal tickets (single contract of carriage or integrated separate tickets), time schedules, available connections and tariffs, and the accessibility of services and	SO3/SO4 PO 2.1 PO 2.2 PO 2.3

		terminals for PRM. The information to be provided is established on an EU-wide basis and would apply to all the abovementioned actors. This measure, which would apply to all multimodal passengers (category A+B+C) is similar to what is already required under Article 9 and Annex II of Regulation (EU) 2021/782 on rail.	
PM B.2	Ensure that carriers and ticket vendors/tour operators (except SMEs) provide real-time information to passengers (category A+B)	Carriers and ticket vendors/tour operators have to provide real-time information to passengers on disruptions, possible next connections and security alerts during the journey, where technically feasible. This measure, which would apply to multimodal passengers having a single contact of carriage (category A), and those having separate tickets for a multimodal journey which are combined and sold in one commercial transaction by a ticket vendor/tour operator (category B), is similar to what is already required under Article 9, 10, 20(6), Annex II and Annex III of Regulation (EU) 2021/782. SMEs would be exempted from this measure.	SO3 PO 2.2 PO 2.3
PM B.3a	Ensure a basic package of rights for passengers holding a single contract of carriage for a multimodal journey (i.e., right to pre-purchase information, right to reimbursement or re-routing, right to care (accommodation, meals and refreshments), right to non-discrimination and free PRM assistance) (category A)	Carriers have to ensure that passengers travelling on single contracts of carriage for a multimodal journey enjoy a set of rights that already apply when travelling within a single mode of transport on the basis of the existing Regulations (air, rail, bus and coach, and waterborne), namely a right to pre-purchase information, a right to reimbursement or re-routing and a right to care in the event of a missed connection, as well as a right to non-discriminatory transport contract conditions and free assistance for PRM.	SO3 PO 2.1 PO 2.2
PM B.3b	Ensure an enhanced package of rights for passengers holding a single contract of carriage for a multimodal journey (i.e., same rights as under PM B.3a + right to conclude an alternative contract where a carrier does not make provision for the continuation of a passenger's journey within a defined time limit) (category A)	Carriers have to ensure that, on top of the rights proposed under PM B.3a, passengers have a right to conclude an alternative contract where a carrier does not make provision for the continuation of a passenger's journey ("right to self-re-routing"). This measure is similar to what is already required under Article 18(3) of Regulation (EU) 2021/782.	SO3 PO 2.3
PM B.4a	Ensure an essential set of rights for passengers holding separate tickets for a multimodal journey combined and sold in one commercial transaction by a ticket vendor or tour operator (i.e. right to pre-purchase information + right to reimbursement and penalty of 75% from ticket vendor/tour operator, unless where passengers were properly informed of separate nature of the tickets) (category B)	Ticket vendors and tour operators have to properly inform passengers where they bundle separate tickets for a multimodal journey and sell them in one commercial transaction to passengers. Where they do not provide information on the separate nature of the transport tickets, they would be liable to reimburse the passenger the entire amount paid for the separate tickets, together with a penalty of 75% of that amount, in the event where the passengers misses a connection during the multimodal journey. This measure is similar to what is already required for ticket vendors and tour	S03 PO 2.2

		operators under Article 12(4) and (5) of Regulation (EU) 2021/782.	
PM B.4b	Ensure an enhanced package of rights for passengers holding separate tickets for a multimodal journey combined and sold in one commercial transaction by a ticket vendor or tour operator (i.e., same enhanced set of rights as for passengers holding a single contract of carriage (see measure B.3b). The ticket vendor is liable to ensure these rights towards the passenger unless where passengers were properly informed of the separate nature of the tickets (category B)	Under this measure, ticket vendors and tour operators will have to provide passengers travelling on separate tickets (category B) the same rights that passengers having a single contract of carriage would enjoy under PM B.3b, unless where passengers were properly informed on the separate nature of tickets.	SO3 PO 2.3
PM B.5	Ensure that Member States require the establishment of "Single Points of Contact" (SPC) for PRM at multimodal passenger hubs in urban nodes on their territory (category A+B+C)	This measure requires Member States to ensure the set up of "Single Points of Contact" (SPC) to arrange the assistance for PRMs at multimodal passenger hubs at urban nodes, which ought to be developed by 2030 in line with the TEN-T proposal. These SPCs would be managed by a terminal manager (airport, station, port or bus terminal manager) operating at a multimodal passenger hub. The terminal manager(s) and carriers operating at the multimodal passenger hub would have to cooperate to this effect. The contact details of the SPC would be published on their websites. The SPC could be contacted by phone and via a dedicated online contact form, enabling PRMs to request assistance when they need to transfer between terminals to reach a connecting service provided by another transport mode. The SPC would communicate individual requests for assistance to other terminal managers and carriers involved in the journey, providing a "one stop shop" for the PRM. Notification would need to be provided at least 48-24 hours ahead of the journey, depending on the transport modes involved. This measure is inspired by Article 24 (f) of Regulation (EU) 2021/782.	SO4 PO 2.2 PO 2.3
PM B.6	Member States may require the establishment of "Single Points of Contact" (SPC) to PRMs at other multimodal passenger hubs on their territory. (category A+B+C)	Under this measure, Member States could require SPCs to be set up beyond the 424 multimodal hubs (e.g. in case where an urban node has more than one such hub or where such hubs are located outside the territory of an urban node) and should therefore be read as a complement to PM B.5.	SO4 PO 2.2 PO 2.3
PM B.7	Ensure that carriers, terminal managers, and ticket vendors/tour operators establish an online and offline complaint-handling mechanism for multimodal passengers with clear deadlines. (category A+B+C)	This measure enables multimodal passengers to file a complaint on the alleged lack of respect of their rights as a passenger to carriers, terminal managers and ticket vendors/tour operators, who would have to set up an online and offline complaint-handling mechanism to this	SO3/SO4 PO 2.1 PO 2.2 PO 2.3

		effect. This measure is similar to what is already required under Articles 28(1) and 12(7) of Regulation (EU) 2021/782.	
PM B.8	Member States to designate a NEB to handle complaints from multimodal passengers. (category A+B+C)	Under this measure, Member States need to designate a NEB or other body to handle complaints from multimodal passengers. Member States could designate a NEB that is already responsible for the enforcement of one or more of the existing passenger rights Regulations. Where the designated complaint-handling body is another authority than the NEB, these bodies shall cooperate in the context of an individual complaint to identify a lead body, which shall serve as a single point of contact for passengers. All the involved bodies shall cooperate to facilitate the resolution of the complaint, including by sharing information and providing information on the circumstances of incidents.	SO3/SO4 PO 2.1 PO 2.2 PO 2.3

Table 142 - Detailed policy measures Problem 3

Reimbursement rules are unclear when flights were booked via an intermediary		**Detailed description**	**Specific objective and Policy options**
PM C.1a	Intermediaries and carriers shall inform passengers on the reimbursement process. The **passenger may only request the reimbursement to the carrier, which performs it without the involvement of the intermediary.**	In order to ensure that passengers are well informed about their rights and how to make use of them, intermediaries and carriers are to inform passengers on the reimbursement process (a) before booking on their websites, (b) on the booking receipt, and (c) when the right to reimbursement is triggered and they are (made) aware of this, and in an accessible way.	SO5 3.1
PM C.1b	Intermediaries and carriers to inform passengers on the reimbursement process. **The carrier can decide whether the passenger has to request the reimbursement from the (MoR) intermediary or the carrier (**both free of charge for the passenger), e.g., by stating publicly whether, and if so with which intermediaries, it processes reimbursements. It can do so on an individual intermediary basis. **The MoR intermediary can disagree with processing reimbursement requests** for (certain or all) carriers. If the carrier decides to carry out the reimbursement by itself: like PO 3.1).	In order to ensure that passengers are well informed about their rights and how to make use of them, intermediaries and carriers are to inform passengers on the reimbursement process (a) before booking on their websites, (b) on the booking receipt, and (c) when the right to reimbursement is triggered and they are (made) aware of this, and in an accessible way. If the intermediary does not want to process reimbursement requests (also on a carrier basis), further conditions then apply for the intermediary, see PM C4 (1).	SO5 3.2

PM C.1c	Intermediaries and carriers to inform passengers on the reimbursement process and the **option for the passenger to choose between (MoR) intermediary and carrier** for requesting reimbursement (when carrier: like PO 3.1. When intermediary: like PO 3.2 when the carrier decided for the intermediary, with the difference that in PO 3.3, the intermediary may charge a fee for processing the reimbursement request). **Intermediaries** to inform whether they charge a fee for the reimbursement request	In order to ensure that passengers are well informed about their rights and how to make use of them, intermediaries and carriers are to inform passengers on the reimbursement process (a) before booking on their websites, (b) on the booking receipt, and (c) when the right to reimbursement is triggered and they are (made) aware of this, and in an accessible way. The intermediary may charge a fee because the passenger has a choice between carrier and intermediary.	SO5 3.3
PM C.2a	Intermediary **may not charge a fee** for processing the passenger's reimbursement request	Under PO 3.2, the passenger cannot choose between intermediary and carrier. Therefore, the same rule on a reimbursement fee needs to apply to both the carrier (no fee under the baseline) and the intermediary.	SO5 3.2
PM C.2b	Intermediary **may charge a fee** for processing the passenger's reimbursement request	Under PO 3.3, the intermediary may choose whether to charge a fee for the reimbursement or not, since the passenger has the choice between carrier and intermediary and this element can be part of her/his decision.	SO5 3.1
PM C.3	**MoR Intermediary** to enable the passenger (with the data needed and which only the intermediary has, such as carrier booking reference) to request reimbursement directly to the carrier.	Sometimes, when passengers book via an intermediary, intermediaries use their own booking reference, and not that of the carrier. This makes it very difficult for the passenger (and the carrier) when he or she approaches the carrier for a reimbursement. In order for the passenger to be able to request the reimbursement, and the carrier to be able to handle it, the intermediary only needs to provide the passenger with these data when the passenger requests the reimbursement. If the intermediary goes insolvent, which will be rare (see further conditions below in PM C4), the passenger will still be able to approach the carrier, but it will be more burdensome for the passenger.	SO5 3.1
PM C.4	Additional rules when intermediaries which are a 'Merchant of Record' are involved: 1. **When the passenger requests the reimbursement:** intermediary to enable the passenger (with the data needed and which only the intermediary has, such as carrier booking reference) to request the	When the passenger books a ticket via an intermediary who is Merchant of Record (i.e. who makes the payment for the ticket from its own account), additional rules are needed, as the carrier does not have the information of the passenger that is needed in order to process the reimbursement request (means of payment, most importantly). Ad (1): as explained under PM C3. N.B.: The data are linked to PM C4.3 and 3 – the "plan B" for the passenger	SO5 3.2, 3.3

	reimbursement directly to the carrier. If the intermediary does not agree to process the reimbursement request, it shall enable the passenger **at booking**, with the data needed and which only he has, to request the reimbursement directly from the carrier. 2. Carrier shall reimburse the intermediary at the latest within 7 days, in one transaction, via the same payment method used at the time of booking and linking the payment with the original booking reference. The intermediary has to reimburse the passenger at the latest within another 7 days. 3. If the intermediary did not receive the carrier's reimbursement, with the result that the intermediary did not reimburse the passenger within 14 days, a. The passenger can request the reimbursement from the carrier. The carrier shall reimburse the passenger within 7 days, or: b. The intermediary can (voluntarily) reimburse the passenger by advancing the money to the carrier.[309] 4. If the intermediary received the carrier's reimbursement and did not reimburse the passenger within 14 days, the passenger can request the reimbursement from the carrier.	in case the intermediary has not transferred the money within 14 days. This provision is only triggered when the passenger requests the reimbursement, unless the intermediary does not want to be involved. In this case, the provision applies at a different moment, namely at booking. Ad (2): the intermediary receives a payment deadline of 7 days to the passenger upon receipt of the funds from the carrier. Ad (3): We are not foreseeing a right of redress for the intermediary towards the carrier for point (3) b) because this right would exist already as per the provision under PM C4 (2) that the carrier needs to reimburse the intermediary within 7 days.	

[309] No right of redress is foreseen for the intermediary against the carrier as it already exists due to the carrier's obligation to reimburse the intermediary within 7 days.

Overview table of Options for Problem 3: Reimbursement rules are unclear when flights were booked via an intermediary

Option 3.1: Passenger may only request the reimbursement from the carrier, which performs it without the involvement of the intermediary.	**Option 3.2: The carrier can decide whether the passenger has to request the reimbursement from the intermediary or the carrier (both free of charge for the passenger), e.g. by stating publicly whether, and if so with which intermediaries, it processes reimbursements. It can do so on an individual intermediary basis.** **The intermediary can disagree with processing reimbursement requests for (certain or all) carriers, and needs to inform about this, e.g. in the terms and conditions on its website, and the passenger. If the carrier decides to carry out the reimbursement by itself: like PO 3.1).**	**Option 3.3: The passenger can choose to request the reimbursement from the intermediary or the carrier. The intermediary may charge a fee for processing the reimbursement request. Like option 3.1 when choice is for carrier. Like option 3.2 (intermediary procedure) when choice is for the intermediary.**
Intermediary to enable the passenger (with the data needed) to request the reimbursement directly to the carrier.		
Obligation on intermediaries and carriers to inform passengers (where their contact details are known to the intermediary or carrier) on the reimbursement process, **which the passenger may only request to the carrier and which the carrier carries out without the involvement of the intermediary** (a) before booking, (b) on the booking receipt, (c) when the right to reimbursement is triggered and they are (made) aware of this, and in an accessible way.	Obligation on intermediaries and carriers to inform passengers on the reimbursement process (a) before booking, (b) on the booking receipt, (c) when the right to reimbursement is triggered and they are (made) aware of this, and in an accessible way. (**The carrier can decide whether the passenger has to request the reimbursement from the intermediary (in agreement with the intermediary) or the carrier.**)	Obligation on intermediaries and carriers to inform passengers (a) before booking, (b) on the booking receipt, (c) when the right to reimbursement is triggered and they are (made) aware of this, and in an accessible way: on the reimbursement process and the **option for the passenger to choose between intermediary and carrier for requesting reimbursement** (when carrier: like option 3.1. When intermediary: like option 3.2, with the difference that the intermediary may charge a fee for processing the reimbursement request). Intermediaries: inform whether they charge a fee for the reimbursement request
	Intermediary **may not charge a fee** for processing the passenger's reimbursement request	Intermediary **may charge a fee** for processing the passenger's reimbursement request
	Additional rules when intermediaries which are a 'Merchant of Record' are involved: 1. When the passenger requests the reimbursement: intermediary to enable the passenger (with the data needed and which only the intermediary has, such as carrier booking reference) to request the reimbursement directly to the carrier.	Additional rules when intermediaries which are a 'Merchant of Record' are involved: Like option 3.2 when the passenger chooses the intermediary procedure.

	If the intermediary does not agree to process the reimbursement request, it shall enable the passenger **at booking**, with the data needed and which only he has, to request the reimbursement directly from the carrier. 2. Carrier shall reimburse the intermediary at the latest within 7 days, in one transaction, via the same payment method used at the time of booking and linking the payment with the original booking reference. The intermediary has to reimburse the passenger at the latest within another 7 days. 3. If the intermediary did not receive the carrier's reimbursement, with the result that the intermediary did not reimburse the passenger within 14 days, a) The passenger can request the reimbursement from the carrier. The carrier shall reimburse the passenger within 7 days, or: b) The intermediary can (voluntarily) reimburse the passenger by advancing the money to the carrier.[310] 4. If the intermediary received the carrier's reimbursement and did not reimburse the passenger within 14 days, the passenger can request the reimbursement from the carrier.	

[310] No right of redress is foreseen for the intermediary against the carrier as it already exists due to the carrier's obligation to reimburse the intermediary within 7 days.

ANNEX 8: SME TEST

SMEs play a significant role among carriers and intermediaries. Therefore, the initiative is considered relevant for the SMEs and the SME test has been performed.

Step 1/4: Identification of affected businesses

While many carriers in the air and rail transport, and terminal operators, are medium and some even large companies, bus and coach carriers, waterborne carriers as well as intermediaries are often SMEs. Around 85%[311] (3,211 out of 3,778) of bus and coach carriers and 99%[312] (518 out of 523) waterborne carriers are SMEs. Regarding intermediaries, ECTAA estimates that there are 123,000 travel agents and tour operators across EU, of which 95% (116,850) are SMEs[313].

The proposed options impact different market segments. Problem area 3 targets directly intermediary ticket vendors, which is a sector primarily composed of SMEs (95% of the sector). Concerning problem areas 1 and 2, in addition to impacts on intermediary ticket vendors, passenger transport operators are also likely to be impacted.

Step 2/4: Consultation of SME Stakeholders

This initiative included stakeholder consultation in the form of: (i) an open public consultation (OPC), (ii) a targeted survey, (iii) 7 workshops (4 with NEBs and 3 with industry stakeholders), (iv) 40 interviews. SMEs and representative organisations were invited to all consultation activities and have actively participated in the debates.

The following paragraphs summarise the answers provided by 22 SMEs in the targeted survey (out of the 172 survey respondents), taking into consideration companies that identified themselves as either micro, small or medium enterprises and excluding umbrella organisations. These 22 SMEs included carriers or terminal managers, intermediary ticket vendors, claim agencies, insurance companies and insolvency protection funds, as well as one company providing technology solutions for PRMs. It is worth noting that, in addition to expressing their level of agreement or disagreement with the presented problems and objectives of the initiative, some stakeholders provided reasoning, although not all did.

For problem 1 on enforcement, 15 out of 17 SMEs agreed or strongly agreed with the first problem statement that carriers, terminal operators, and NEBs apply EU passenger rights legislation in different ways, including 9 out of 11 carriers or terminal operators. In turn, 14 out of 17 SMEs strongly agreed or agreed with the second problem statement identified for problem 1, on the statement that the enforcement of EU passenger rights legislation by NEBs is neither harmonised or consistent, including 8 out of 11 carriers or terminal managers.

Regarding the specific objective identified for the area of enforcement, which seeks to ensure that passengers fully enjoy their rights, 15 out of 17 SMEs agreed or strongly agreed with it, including 9 out of 11 carriers or terminal managers. One SME terminal manager added that the

[311] SMEs were estimated to account for around 85% of the occasional passenger transport, drawing on studies by International the Road Transport Union (IRU) and the European Transport Workers' Federation (ETF). Source: TRT on behalf of IRU, 2015. A Pilot Study on Specific Driving and Rest Time Rules for Bus and Coach Drivers in the EU, https://www.transportforetagen.se/globalassets/rapporter/buss/pilot-study-on-specific-driving-and-rest-time-rules-for-bus-and-coach-drivers-in-the-eu?ts=8d98cb9e34dc900; ETF Report, 2018, Driven to distraction? Long-distance coach and bus drivers in the EU, https://www.etf-europe.org/wp-content/uploads/2018/09/ETF-report-on-woking-conditions-of-bus-and-coach-1.pdf.

[312] According to Eurostat data, around 99% of water transport businesses were classified as SMEs.

[313] Figures from Eurostat, confirmed by ECTAA.

primary issue concerning air passengers' rights revolves around the inconsistent application of Regulation 261/2004.

As for problem 2 on multimodal passenger rights, 13 agreed or strongly agreed with the first problem statement, which concerns the issue that passengers are not protected by existing rights when switching between transport modes, while 4 disagreed or strongly agreed. Of these, 6 SME carriers, 4 SME intermediaries and 1 company providing technology solutions for PRMs agreed or strongly agreed with the first problem identified, while 2 SME carriers disagreed or strongly disagreed. In turn, 8 out 13 SMEs agreed or strongly agreed with the second problem statement, of which 5 were SME carriers and 3 SME intermediaries.

Regarding the objective identified for problem area 2, on ensuring an adequate framework of rules for the protection of passengers who experience travel disruptions when changing from one transport mode to another, 12 SMEs agreed or strongly agreed with the first objective identified, of which 5 were answers provided by SME carriers or terminal managers, 5 from SME intermediaries and 1 from a company providing technology solutions for PRMs. 4 SME intermediaries stated that there "must be a very clear definition of the three different categories and what that means in practice".

Out of 11 SME respondents for problem area 3 on intermediaries, of which most were intermediary ticket vendors, 5 agreed or strongly agreed with the problem identified, related to the fact that cash reimbursements are not always quick, and rules are unclear when flights were booked via an intermediary, while 5 disagreed or strongly disagreed and 1 provided no opinion. 3 out of 5 SME ticket vendors replying agreed with the problem identified, while 1 disagreed and 1 strongly disagreed. 2 out of the 2 SME claim agencies strongly agreed with the problem identified.

10 SMEs agreed or strongly agreed with the objective identified in the OPC, on ensuring reimbursement of air passengers boking via an intermediary ticket vendor, whilst 1 strongly disagreed. 4 out of 5 intermediary SMEs replying strongly agreed with the objective identified for problem area 3, while 1 strongly disagreed. One intermediary SME which strongly agreed with the objective identified added the importance to ensure timely reimbursement of passengers through travel intermediaries, and that carriers must have clear business-to-business obligations to refund ticket vendors within a set timeframe. 2 out of the 2 SME claim agencies agreed or strongly agreed with the first objective identified. In addition, one SME claim agency argued that passengers face unclear additional imposed by intermediary ticket vendors during purchases and often receive incomplete reimbursement.

Regarding the OPC, SMEs mostly agreed with the problem statements identified. For instance, concerning the lack of reimbursement in seven days of air passengers when the flight is cancelled and the ticket was booked through an intermediary, 14 out of 29 SMEs fully agreed with the statement that "air carriers cannot always respect the obligation to reimburse passengers within seven days following the cancellation when the flight was booked via an intermediary ticket vendor", whilst 5 fully disagreed. 7 out of the 10 SME carriers and terminal managers agreed or fully agreed with the same statement. In addition, 4 out of the 5 SME intermediaries somewhat agreed or fully agreed with the statement. In turn, 10 out of 29 stakeholders fully agreed with the statement that "intermediary ticket vendors are not obliged to reimburse passengers who booked with them when the flight was cancelled by the air carrier", while 6 out of 29 agreed whilst 3 fully disagreed and 2 disagreed somewhat out of 29. Of which 4 out of 5 SME intermediaries somewhat agreed or fully agreed and 9 SME carriers or terminal managers somewhat agreed or fully agreed with the statement.

Additionally, 17 out of 39 SMEs somewhat agreed or fully agreed with the statement that passengers are not protected by the existing passenger rights rules when switching between transport modes (of which 10 are SME carriers and terminal managers), whilst 15 out of 39 somewhat disagreed or fully disagreed. On the other hand, 20 out of 40 fully or somewhat agreed with the statement that "*passengers are not protected by the existing passenger rights rules when switching between different transport modes*", whilst 15 out of 40 disagreed somewhat or fully disagreed, of which 12 SME carriers and terminal managers somewhat agreed or fully agreed and 2 disagreed. Lastly, 25 out of 50 respondents somewhat agreed or fully agreed with the statement that the enforcement of passenger rights is not effective enough, whilst 16 out of 50 somewhat disagreed or fully disagreed. 8 SME carriers and terminal managers somewhat agreed or fully agreed with this statement and 2 disagreed.

Step 3/4: Assessment of the impact on SMEs

The following paragraphs outline the economic impacts expected to be borne by SMEs. As explained in step 1, SMEs account for 95% of air intermediaries, 85% of bus and coach operators and 99% of waterborne passenger operators affected by the initiative. Details on calculations of impacts related to individual policy measures can be found in Annex 4.

Options related to enforcement (problem area 1). Both **PO 1.1** and **PO 1.2** lead to an increase of the administrative and adjustment costs for SME carriers and of the adjustment costs for SME intermediaries, compared to the baseline. Administrative costs stem from policy measure PM A.2, while adjustment costs stem from policy measures PM A.2 and PM A.3 in PO 1.1 and PO 1.2. In addition, PM A.5 also results in adjustment costs for PO 1.2.

For SME carriers, PO 1.2 shows higher costs than PO 1.1 in 2025 (EUR 17.8 million compared to EUR 13.5 million respectively), while in 2030 and 2050 the costs are similar for both options (EUR 4.4 million). This is because of PM A.5 (included only in PO 1.2) that requires carriers to better inform passenger about their rights. In terms of present value over 2025-2050, total costs for carriers are estimated at EUR 89.3 million in PO 1.1 and at EUR 93.6 million in PO 1.2. The increase in administrative costs compared to the baseline is generated in both policy options by PM A.2 linked to reporting by SME carriers (EUR 80.1 million, expressed as present value over 2025-2050).

The intermediary ticket vendors and tour operators bear one-off adjustment costs of EUR 13.6 million in 2025. The tables below illustrate details about these costs.

Table 143: Total recurrent and one-off costs for SMEs in the POs addressing problem area 1, expressed as present value over 2025-2050 relative to the baseline scenario, in million EUR (2021 prices)

	Difference to the Baseline	
	PO 1.1	PO 1.2
Carriers	**89.27**	**93.63**
Administrative costs	80.14	80.14
Adjustment costs	9.14	13.49
Bus and coach operators	**76.9**	**80.6**
Administrative costs	69.0	69.0
Adjustment costs	7.9	11.6
Waterborne transport operators	**12.4**	**13.0**
Administrative costs	11.1	11.1
Adjustment costs	1.3	1.9
Intermediaries	**13.6**	**13.6**
Adjustment costs	13.6	13.6

Source: PWC, TIS and Steer (2023), Impact assessment support study

Table 144: Total recurrent and one-off costs for SMEs in the POs addressing problem area 1, in 2025, 2030 and 2050 relative to the baseline scenario, in million EUR (2021 prices)

	Difference to the Baseline					
	PO 1.1			PO 1.2		
	2025	2030	2050	2025	2030	2050
Carriers	**13.49**	**4.35**	**4.35**	**17.84**	**4.35**	**4.35**
Administrative costs	4.35	4.35	4.35	4.35	4.35	4.35
Adjustment costs	9.14	0.00	0.00	13.49	0.00	0.00
Bus and coach operators	**11.62**	**3.75**	**3.75**	**15.37**	**3.75**	**3.75**
Administrative costs	3.75	3.75	3.75	3.75	3.75	3.75
Adjustment costs	7.87	0.00	0.00	11.62	0.00	0.00
Waterborne transport operators	**1.87**	**0.60**	**0.60**	**2.48**	**0.60**	**0.60**
Administrative costs	0.60	0.60	0.60	0.60	0.60	0.60
Adjustment costs	1.27	0.00	0.00	1.87	0.00	0.00
Intermediaries	**13.64**	**0.00**	**0.00**	**13.64**	**0.00**	**0.00**
Adjustment costs	13.64	0.00	0.00	13.64	0.00	0.00

Source: PWC, TIS and Steer (2023), Impact assessment support study

Table 145: Recurrent and one-off costs for SMEs carriers in the POs addressing problem area 1, by policy measure, expressed as present value over 2025-2050 relative to the baseline scenario, in million EUR (2021 prices)

	Difference to the Baseline	
	PO 1.1	PO 1.2
Administrative costs	80.14	80.14
PM A.2	80.14	80.14
Bus and coach	69.01	69.01
Waterborne	11.13	11.13
Adjustment costs	9.14	13.49
PM A.2	8.70	8.70
Bus and coach	7.50	7.50
Waterborne	1.21	1.21
PM A.3	0.44	0.44
Bus and coach	0.37	0.37
Waterborne	0.06	0.06
PM A.5		4.35
Bus and coach		3.75
Waterborne		0.60
Net costs	89.27	93.63

Source: PWC, TIS and Steer (2023), Impact assessment support study

Table 146: Recurrent and one-off costs for SMEs carriers in the POs addressing problem area 1, by policy measure, in 2025, 2030 and 2050 relative to the baseline scenario, in million EUR (2021 prices)

	Difference to the Baseline					
	PO 1.1			PO 1.2		
	2025	2030	2050	2025	2030	2050
Administrative costs	4.35	4.35	4.35	4.35	4.35	4.35
PM A.2	4.35	4.35	4.35	4.35	4.35	4.35
Bus and coach	3.75	3.75	3.75	3.75	3.75	3.75
Waterborne	0.60	0.60	0.60	0.60	0.60	0.60

	Difference to the Baseline					
	PO 1.1			PO 1.2		
	2025	2030	2050	2025	2030	2050
Adjustment costs	9.14	0.00	0.00	13.49	0.00	0.00
PM A.2	8.70			8.70		
Bus and coach	7.50			7.50		
Waterborne	1.21			1.21		
PM A.3	0.44			0.44		
Bus and coach	0.37			0.37		
Waterborne	0.06			0.06		
PM A.5				4.35		
Bus and coach				3.75		
Waterborne				0.60		
Net costs	13.49	4.35	4.35	17.84	4.35	4.35

Source: PWC, TIS and Steer (2023), Impact assessment support study

Table 147: One-off costs for SMEs intermediaries in the POs addressing problem area 1, by policy measure, expressed as present value over 2025-2050 relative to the baseline scenario, in million EUR (2021 prices)

	Difference to the Baseline	
	PO 1.1	PO 1.2
Adjustment costs	13.64	13.64
PM A.3	13.64	13.64
Net costs	13.64	13.64

Source: PWC, TIS and Steer (2023), Impact assessment support study

Table 148: One-off costs for SMEs intermediaries in the POs addressing problem area 1, by policy measure, in 2025, 2030 and 2050 relative to the baseline scenario, in million EUR (2021 prices)

	Difference to the Baseline					
	PO 1.1			PO 1.2		
	2025	2030	2050	2025	2030	2050
Adjustment costs	13.64	0.00	0.00	13.64	0.00	0.00
PM A.3	13.64			13.64		
Net costs	13.64	0.00	0.00	13.64	0.00	0.00

Source: PWC, TIS and Steer (2023), Impact assessment support study

The costs per SME carrier (for bus and coach operators and waterborne transport operators) are estimated at EUR 3,618 in 2025 and EUR 1,167 per year from 2026 onwards, while for SME intermediaries at EUR 117 in 2025. Considering the annual average turnover per SME (EUR 2.1 million per bus and coach operator and EUR 13.7 million per waterborne transport operator[314]), the total cost per bus and coach operator is estimated at less than 0.2% of the turnover in 2025 (including also one-off costs) and less than 0.1% of the turnover post-2025, while the cost per waterborne transport operator is estimated at less than 0.1% of the turnover for all periods.

Given that these costs are relatively low for the SMEs and that an SME exemption would exclude a significant part of the targeted carriers and intermediaries from the obligations – decreasing the policy measure's effectiveness – no SME exemption is proposed for any of the policy measures included in PO 1.1 and PO 1.2.

[314] Eurostat.

Options related to multimodal passenger rights (problem area 2). All three policy options PO 2.1, PO 2.2 and PO 2.3 result in an increase in adjustment costs for carriers and intermediaries SMEs, compared to the baseline. These costs stem from policy measures PM B.1 and PM B.7 which are common to all policy options, and from PM B.3 (a or b) and PM B.4 (a or b). PM B.1 and PM B.7 are expected to have an impact on 270 SMEs, PM B.3a and PM B.3b on 128 SMEs, and PM B.4a and PM B.4b on 263 SMEs.

Carriers bear the largest share of the total costs. PO 2.3 shows the highest increase in costs for carriers relative to the baseline (EUR 11.25 million, of which EUR 11.23 million for bus and coach operators and EUR 0.02 million for waterborne transport operators), followed by PO 2.2 (EUR 10.26 million, of which EUR 10.24 million for bus and coach operators and EUR 0.02 million for waterborne transport operators) and PO 2.1 (EUR 10.2 million, of which EUR 10.18 million for bus and coach operators and EUR 0.02 million for waterborne transport operators), expressed as present value over 2025-2050. The difference is due to PM B.3b included in PO 2.3, as opposed to PM B.3a included in PO 2.1 and PO 2.2. The reason is that under PM B.3b passengers have a right to conclude alternatives contracts where a carrier does not make provision for the continuation of the journey, in addition to the more limited rights foreseen by PM B.3a. For intermediaries, PO 2.3 is also the most costly option relative to the baseline (EUR 0.52 million), followed closely by PO 2.2 (EUR 0.36 million) and PO 2.1 (EUR 0.31 million), expressed as present value over 2025-2050.

At the same time, SMEs would benefit of significant hassle costs savings that outweigh the costs. Hassle costs savings for carriers are estimated at EUR 29.9 million and for intermediaries at EUR 22.8 million in PO 2.1, PO 2.2 and PO 2.3. Thus, all policy options result in net benefits for SME carriers (EUR 19.7 million in PO 2.1, EUR 19.6 million in PO 2.2 and EUR 18.6 million in PO 2.3) and intermediaries (around EUR 22.5 million in PO 2.1 and PO 2.2 and EUR 22.3 million in PO 2.3), expressed as present value over 2025-2050 relative to the baseline.

The tables below illustrate details about the costs and costs savings. In addition, Annex 4 provides detailed explanations of the costs and costs savings corresponding to each measure. It should be noted that for hassle costs savings presented in this section a conservative approach has been used (lower bound estimates).

Table 149: Total costs and costs savings for SMEs in the POs addressing problem area 2, expressed as present value over 2025-2050 relative to the baseline scenario, in million EUR (2021 prices)

	Difference to the Baseline		
	PO 2.1	PO 2.2	PO 2.3
Carriers (net benefits)	19.67	19.60	18.62
Adjustment costs	10.20	10.26	11.25
Hassle costs savings*	29.87	29.87	29.87
Bus and coach operators (net benefits)	18.52	18.45	17.47
Adjustment costs	10.18	10.24	11.23
Hassle costs savings*	28.70	28.70	28.70
Waterborne transport operators (net benefits)	1.15	1.15	1.15
Adjustment costs	0.02	0.02	0.02
Hassle costs savings*	1.17	1.17	1.17
Intermediaries (net benefits)	22.53	22.48	22.32
Adjustment costs	0.31	0.36	0.52
Hassle costs savings*	22.84	22.84	22.84

*Source: PWC, TIS and Steer (2023), Impact assessment support study; Note: * stands for lower bound estimates.*

Table 150: Total costs and costs savings for SMEs in the POs addressing problem area 2, in 2025, 2030 and 2050 relative to the baseline scenario, in million EUR (2021 prices)

	Difference to the Baseline								
	PO 2.1			PO 2.2			PO 2.3		
	2025	2030	2050	2025	2030	2050	2025	2030	2050
Carriers (net benefits)	0.73	1.01	0.95	0.66	1.01	0.95	0.62	0.96	0.88
Adjustment costs	0.46	0.48	0.74	0.53	0.48	0.74	0.57	0.53	0.81
Hassle costs savings*	1.19	1.49	1.69	1.19	1.49	1.69	1.19	1.49	1.69
Bus and coach operators (net benefits)	0.69	0.95	0.89	0.62	0.95	0.89	0.58	0.90	0.82
Adjustment costs	0.45	0.48	0.74	0.52	0.48	0.74	0.56	0.53	0.81
Hassle costs savings*	1.14	1.43	1.62	1.14	1.43	1.62	1.14	1.43	1.62
Waterborne transport operators (net benefits)	0.04	0.06	0.07	0.04	0.06	0.07	0.04	0.06	0.07
Adjustment costs	0.00	0.00	0.00	0.01	0.00	0.00	0.01	0.00	0.00
Hassle costs savings*	0.05	0.06	0.07	0.05	0.06	0.07	0.05	0.06	0.07
Intermediaries (net benefits)	0.79	1.12	1.28	0.73	1.12	1.28	0.62	1.12	1.28
Adjustment costs	0.12	0.01	0.01	0.18	0.01	0.01	0.29	0.01	0.01
Hassle costs savings*	0.91	1.14	1.29	0.91	1.14	1.29	0.91	1.14	1.29

*Source: PWC, TIS and Steer (2023), Impact assessment support study; Note: * stands for lower bound estimates.*

Table 151: Costs and costs savings for SMEs carriers in the POs addressing problem area 2, by policy measure, expressed as present value over 2025-2050 relative to the baseline scenario, in million EUR (2021 prices)

	Difference to the Baseline		
	PO 2.1	PO 2.2	PO 2.3
Adjustment costs	10.20	10.26	11.25
PM B.1	0.07	0.07	0.07
Bus and coach	0.07	0.07	0.07
Waterborne	0.00	0.00	0.00
PM B.3a	9.80	9.80	
Bus and coach	9.79	9.79	
Waterborne	0.00	0.00	
PM B.3b			10.78
Bus and coach			10.78
Waterborne			0.00
PM B.4a		0.07	
Bus and coach		0.07	
Waterborne		0.00	
PM B.4b			0.07
Bus and coach			0.07
Waterborne			0.00
PM B.7	0.33	0.33	0.33
Bus and coach	0.32	0.32	0.32
Waterborne	0.01	0.01	0.01
Hassle costs savings*	29.87	29.87	29.87
PM B.7	29.87	29.87	29.87
Bus and coach	28.70	28.70	28.70
Waterborne	1.17	1.17	1.17
Net benefits	19.67	19.60	18.62

	Difference to the Baseline		
	PO 2.1	PO 2.2	PO 2.3
Bus and coach	18.52	18.45	17.47
Waterborne	1.15	1.15	1.15

*Source: PWC, TIS and Steer (2023), Impact assessment support study; Note: * stands for lower bound estimates.*

Table 152: Costs and costs savings for SMEs carriers in the POs addressing problem area 2, by policy measure, in 2025, 2030 and 2050 relative to the baseline scenario, in million EUR (2021 prices)

	Difference to the Baseline								
	PO 2.1			PO 2.2			PO 2.3		
	2025	2030	2050	2025	2030	2050	2025	2030	2050
Adjustment costs	0.46	0.48	0.74	0.53	0.48	0.74	0.57	0.53	0.81
PM B.1	0.07			0.07			0.07		
Bus and coach	0.07			0.07			0.07		
Waterborne	0.00			0.00			0.00		
PM B.3a	0.37	0.46	0.72	0.37	0.46	0.72			
Bus and coach	0.37	0.46	0.72	0.37	0.46	0.72			
Waterborne	0.00			0.00					
PM B.3b							0.41	0.51	0.79
Bus and coach							0.41	0.51	0.79
Waterborne							0.00		
PM B.4a				0.07					
Bus and coach				0.07					
Waterborne				0.00					
PM B.4b							0.07		
Bus and coach							0.07		
Waterborne							0.00		
PM B.7	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02
Bus and coach	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02
Waterborne	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Hassle costs savings*	1.19	1.49	1.69	1.19	1.49	1.69	1.19	1.49	1.69
PM B.7	1.19	1.49	1.69	1.19	1.49	1.69	1.19	1.49	1.69
Bus and coach	1.14	1.43	1.62	1.14	1.43	1.62	1.14	1.43	1.62
Waterborne	0.05	0.06	0.07	0.05	0.06	0.07	0.05	0.06	0.07
Net benefits	0.73	1.01	0.95	0.66	1.01	0.95	0.62	0.96	0.88
Bus and coach	0.69	0.95	0.89	0.62	0.95	0.89	0.58	0.90	0.82
Waterborne	0.04	0.06	0.07	0.04	0.06	0.07	0.04	0.06	0.07

*Source: PWC, TIS and Steer (2023), Impact assessment support study; Note: * stands for lower bound estimates.*

Table 153: Costs and costs savings for SMEs intermediaries in the POs addressing problem area 2, by policy measure, expressed as present value over 2025-2050 relative to the baseline scenario, in million EUR (2021 prices)

	Difference to the Baseline		
	PO 2.1	PO 2.2	PO 2.3
Adjustment costs	0.31	0.36	0.52
PM B.1	0.05	0.05	0.05
PM B.3a			
PM B.3b			0.11
PM B.4a		0.05	
PM B.4b			0.11
PM B.7	0.25	0.25	0.25

	Difference to the Baseline		
	PO 2.1	PO 2.2	PO 2.3
Hassle costs savings*	22.84	22.84	22.84
PM B.7	22.84	22.84	22.84
Net benefits	22.53	22.48	22.32

*Source: PWC, TIS and Steer (2023), Impact assessment support study; Note: * stands for lower bound estimates.*

Table 154: Costs and costs savings for SMEs intermediaries in the POs addressing problem area 2, by policy measure, in 2025, 2030 and 2050 relative to the baseline scenario, in million EUR (2021 prices)

	Difference to the Baseline								
	PO 2.1			PO 2.2			PO 2.3		
	2025	2030	2050	2025	2030	2050	2025	2030	2050
Adjustment costs	0.12	0.01	0.01	0.18	0.01	0.01	0.29	0.01	0.01
PM B.1	0.05			0.05			0.05		
PM B.3a	0.05			0.05					
PM B.3b							0.11		
PM B.4a				0.05					
PM B.4b							0.11		
PM B.7	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01
Hassle costs savings*	0.91	1.14	1.29	0.91	1.14	1.29	0.91	1.14	1.29
PM B.7	0.91	1.14	1.29	0.91	1.14	1.29	0.91	1.14	1.29
Net benefits	0.79	1.12	1.28	0.73	1.12	1.28	0.62	1.12	1.28

*Source: PWC, TIS and Steer (2023), Impact assessment support study; Note: * stands for lower bound estimates.*

Options related to intermediaries (problem area 3). SME intermediaries consist mostly of brick and mortar travel agents. All three policy options lead to identical one-off administrative costs for the 116,850 SME intermediary ticket vendors in 2025, amounting to EUR 54.6 million. These costs are due to PM C.1 (a, b or c) which obliges them to inform passengers on the reimbursement process. Per SME intermediary, the administrative costs are estimated to be limited, at EUR 467 in 2025.

These costs are largely overcompensated by administrative costs savings in PO 3.3 (EUR 7.2 million in 2025, EUR 7.8 million in 2030 and EUR 10.1 million in 2050) and especially in PO 3.1 (EUR 36 million in 2025, EUR 39.2 million in 2030 and EUR 50.7 million in 2050). Expressed as present value over 2025-2050, the total cost savings relative to the baseline are estimated at EUR 157.4 million in PO 3.3 and EUR 787 million in PO 3.1. The administrative cost savings are explained by the fact that intermediaries would no longer handle reimbursement requests to the same extent (PM C1.a under PO 3.1 and PM C1.c under PO 3.3).

The tables below illustrate details about the costs and costs savings.

Table 155: Total costs and costs savings for SMEs in the POs addressing problem area 3, expressed as present value over 2025-2050 relative to the baseline scenario, in million EUR (2021 prices)

	Difference to the Baseline		
	PO 3.1	PO 3.2	PO 3.3
Intermediaries			
Administrative costs	54.55	54.55	54.55
Administrative costs savings	787.04	0.00	157.41
Net costs savings	732.49	-54.55	102.86

Source: PWC, TIS and Steer (2023), Impact assessment support study; Note: negative values stand for net costs.

Table 156: Total costs and costs savings for SMEs in the POs addressing problem area 3, in 2025, 2030 and 2050 relative to the baseline scenario, in million EUR (2021 prices)

	Difference to the Baseline								
	PO 3.1			PO 3.2			PO 3.3		
	2025	2030	2050	2025	2030	2050	2025	2030	2050
Intermediaries									
Administrative costs	54.55	0.00	0.00	54.55	0.00	0.00	54.55	0.00	0.00
Administrative costs savings	35.95	39.21	50.65	0.00	0.00	0.00	7.19	7.84	10.13
Net costs savings	-18.60	39.21	50.65	-54.55	0.00	0.00	-47.36	7.84	10.13

Source: PWC, TIS and Steer (2023), Impact assessment support study; Note: negative values stand for net costs.

Table 157: Costs and costs savings for SMEs intermediaries in the POs addressing problem area 3, by policy measure, expressed as present value over 2025-2050 relative to the baseline scenario, in million EUR (2021 prices)

	Difference to the Baseline		
	PO 3.1	PO 3.2	PO 3.3
Administrative costs	54.55	54.55	54.55
PM C.1a	54.55		
PM C.1b		54.55	
PM C.1c			54.55
Administrative costs savings	787.04	0.00	157.41
PM C.1a	787.04		
PM C.1b			
PM C.1c			157.41
Net costs savings	732.49	-54.55	102.86

Source: PWC, TIS and Steer (2023), Impact assessment support study; Note: negative values stand for net costs.

Table 158: Costs and costs savings for SMEs intermediaries in the POs addressing problem area 3, by policy measure, in 2025, 2030 and 2050 relative to the baseline scenario, in million EUR (2021 prices)

	Difference to the Baseline								
	PO 3.1			PO 3.2			PO 3.3		
	2025	2030	2050	2025	2030	2050	2025	2030	2050
Administrative costs	54.55	0.00	0.00	54.55	0.00	0.00	54.55	0.00	0.00
PM C.1a	54.55								
PM C.1b				54.55					
PM C.1c							54.55		
Administrative costs savings	35.95	39.21	50.65	0.00	0.00	0.00	7.19	7.84	10.13
PM C.1a	35.95	39.21	50.65						
PM C.1b									
PM C.1c							7.19	7.84	10.13
Net costs savings	-18.60	39.21	50.65	-54.55	0.00	0.00	-47.36	7.84	10.13

Source: PWC, TIS and Steer (2023), Impact assessment support study; Note: negative values stand for net costs.

However, intermediaries may incur indirect costs under PO 3.1, and to a lesser degree in PO 3.2 and 3.3 for the share where the reimbursement will be conducted without their involvement, as a result of no longer being able to offer the processing of reimbursements to their customers (and to airlines, as part of their agreements with them) as part of their service package. It may also damage to a certain extent their business model of maintaining an exclusive relationship with their customers. No data on this is available, but during the stakeholder consultation, intermediaries and their associations have pointed out that they want to continue processing the reimbursements of their customers.

Impact on SMEs in the package of preferred policy options. The total costs for SMEs in the package of preferred policy options are estimated at EUR 86.7 million in 2025, EUR 4.8 million in 2030 and EUR 5.1 million in 2050 relative to the baseline. The benefits in terms of hassle costs savings are estimated at EUR 2.1 million in 2025, EUR 2.6 million in 2030 and EUR 3 million in 2050.

Table 159: Costs and costs savings for SMEs in the package of preferred policy options, in 2025, 2030 and 2050 relative to the baseline scenario, in million EUR (2021 prices)

	Preferred package of options (difference to the baseline)		
	2025	2030	2050
Bus and coach operators (net costs)	**14.7**	**2.8**	**2.9**
Administrative costs	3.7	3.7	3.7
Adjustment costs	12.1	0.5	0.7
Hassle costs savings	1.1	1.4	1.6
Waterborne transport operators (net costs)	**2.4**	**0.5**	**0.5**
Administrative costs	0.6	0.6	0.6
Adjustment costs	1.9	0.0	0.0
Hassle costs savings	0.05	0.06	0.07
Intermediaries (net costs)	**67.5**	**-1.1**	**-1.3**
Administrative costs	54.6	0.0	0.0
Adjustment costs	13.8	0.0	0.0
Hassle costs savings	0.9	1.1	1.3
Total costs	**86.7**	**4.8**	**5.1**
Total benefits	**2.1**	**2.6**	**3.0**
Net costs	**84.6**	**2.2**	**2.1**

Source: PWC, TIS and Steer (2023), Impact assessment support study; Note: negative values for intermediaries represent net benefits.

When considering the total number of SMEs affected by the policy options, the *net costs per SME for the bus and coach and waterborne sector* are limited. They are estimated at around EUR 5,000 per operator in 2025 (including also one-off costs) and between EUR 900 and EUR 1,100 per operator post-2025 relative to the baseline. For intermediaries, the costs are estimated at EUR 600 in 2025. Post-2025 SME intermediaries are estimated to incur net benefits.

Table 160: Costs per SME in the package of preferred policy options in 2025, 2030 and 2050 relative to the baseline scenario, in EUR (2021 prices)

	Preferred package of options (difference to the baseline)		
	2025	2030	2050
Bus and coach operators (net costs)	4,591	872	891
Waterborne transport operators (net costs)	4,709	1,056	1,041
Intermediaries (net costs)	577	-10	-11

Source: PWC, TIS and Steer (2023), Impact assessment support study; Note: negative values for intermediaries represent net benefits.

Considering the annual average turnover per SME (EUR 2.1 million per bus and coach operator and EUR 13.7 million per waterborne transport operator[315]), the net cost per bus and coach operator is estimated at 0.2% of the turnover in 2025 (including also one-off costs) and less than 0.1% of the turnover post-2025, while the cost per waterborne transport operator is estimated at less than 0.1% of the turnover for all periods.

[315] Source: Eurostat.

Step 4/4: Minimising negative impacts on SMEs

Under problem area 1, both PO 1.1 and PO 1.2 are expected to result in additional costs for SMEs. It should however be noted that as explained above these costs are limited. Nonetheless, impacts on SMEs can be minimised by ensuring flexibility in the implementation of certain measures that have a greater impact on SME companies, such as PM A.2 and PM A.7. In addition, it is important to ensure that the impact on the turnover and staff turnover of SMEs are appropriately monitored throughout the implementation period. For this purpose, DG GROW's SME panel could be used about three years after the Regulation's entry into application.

Regarding problem area 2, all options proposed (i.e. PO 2.1, PO 2.2 and PO 2.3) result in net benefits for SME intermediaries and SME carriers. It should be noted that in order to reduce the burden on SMEs, exemptions for SMEs are already considered under PM B.2 (obligation to provide real-time information to passengers).

Based on the assessment of the policy options addressing problem area 3 (PO 3.1, PO 3.2 and PO 3.3), SME intermediary ticket vendors may incur net costs in PO 3.2 and net benefits in PO 3.1 and PO 3.3. Per SME intermediary, the net costs in PO 3.2 are however estimated to be limited, at EUR 467 in 2025. However, as stated above, intermediaries may incur indirect costs under PO 3.1, and to a lesser degree under 3.3 for the share where the reimbursement will be conducted without their involvement, as a result of no longer being able to offer the processing of reimbursements to their customers (and to airlines, as part of their agreements with them) as part of their service package. Under these options, which are not proposed as the preferred options, the SMEs' business model of maintaining an exclusive relationship with their customers may to a certain extent be damaged. The preferred option 3.2 gives SME air intermediaries an official role in the reimbursement process, which is difficult to quantify as benefits but may outweigh the limited costs.

In order to minimise the economic burden for SMEs, it is necessary to consider monitoring the impact on SMEs. As explained above, DG GROW's SME panel could be used for this purpose about three years after the Regulation's entry into application.

ANNEX 9: BACKGROUND ON THE DEVELOPMENT OF EU PASSENGER RIGHTS

This annex presents background information on the development of EU passenger rights.

Political context

EU passenger rights apply to more than 13 billion annual passenger travels in the EU by either air, rail, bus and coach or waterborne transport[316] . In this context, the protection of passengers has become a cornerstone of the EU transport policy.

Passenger rights are at the heart of the EU transport and consumer policy and have become a flagship initiative of the EU; it is worth noting that the EU is the only area in the world where passengers using collective modes of transport are protected by a full set of rights prior, during and after their journey.

Despite the substantial progress made in this area since 2004 in view of the ten core rights identified by the Commission in its Communication on a European vision for passengers of 2011, major challenges still remain to be tackled. This is why this new initiative is a major additional step to the long-term vision of passenger rights.

The ten core passenger rights highlighted in the 2011 Communication are presented below:

Box 1 – The ten EU core passenger rights

Passenger rights are based on three cornerstones: non-discrimination; accurate, timely and accessible information; immediate and proportionate assistance. The following ten rights that stem from these principles form the core of EU passenger rights:

(1) Right to non-discrimination in access to transport

(2) Right to mobility: accessibility and assistance at no additional cost for disabled passengers and passengers with reduced mobility (PRM)

(3) Right to information before purchase and at the various stages of travel, notably in case of disruption

(4) Right to renounce travelling (reimbursement of the full cost of the ticket) when the trip is not carried out as planned

(5) Right to the fulfilment of the transport contract in case of disruption (rerouting and rebooking)

(6) Right to get assistance in case of long delay at departure or at connecting points

(7) Right to compensation under certain circumstances

(8) Right to carrier liability towards passengers and their baggage

(9) Right to a quick and accessible system of complaint handling

(10) Right to full application and effective enforcement of EU law

Source: COM/2011/898 final.

These core rights contribute to a level playing field for transport operators within and across modes, through creating a European standard for passenger protection.

[318] See Annex 4, section 2.2.

Legal context

The EU framework on passenger rights consists of five[317] Regulations on passenger rights addressing all passenger transport modes:

- Regulation (EC) No 261/2004 establishing common rules on compensation and assistance to passengers in the event of denied boarding and of cancellation or long delay of flights;
- Regulation (EC) No 1107/2006 concerning the rights of disabled persons and persons with reduced mobility (PRM) when travelling by air;
- Regulation (EC) No 1371/2007 on rail passengers' rights and obligations[318] , which is repealed by Regulation (EU) No 2021/782 on rail passengers' rights and obligations, as of 7 June 2023 onwards;
- Regulation (EU) No 1177/2010 concerning the rights of passengers when travelling by sea and inland waterway;
- Regulation (EU) No 181/2011 concerning the rights of passengers in bus and coach transport.

Due to specific operational field requirements and the magnitude of damages on passengers in the event of disruptions, the Regulations differ per mode e.g. regarding the scope of the transport services covered, financial compensations in case of disruptions, how information, assistance and care has to be provided to passengers, the rules for PRM, but they have all similar rules on enforcement: Member States have to set up national enforcement bodies (e.g. leaving it to the Member State whether these bodies can decide on individual complaints between passengers and operators) and Member States set the rules for penalties.[319]

As regards **air passenger rights**, Regulation (EC) 261/2004 applies to passengers departing from an airport located in the territory of an EU country to which the EU treaties apply; and to passengers departing from an airport located in a non-EU country to an airport situated in the territory of an EU country to which the EC treaties apply if the operating air carrier of the flight is an EU carrier. It establishes passengers' rights if they are denied boarding against their will; their flight is delayed; or their flight is cancelled, on condition that the passengers have a confirmed reservation on the flight concerned and, except in the case of cancellation, present themselves in time for check-in. It does not apply to passengers travelling free of charge or at a reduced fare not available directly or indirectly to the public. While many aspects of the Regulation have been clarified over the years by the Court of Justice of the EU, such as the exact scope of the Regulation and the notion of 'extraordinary circumstances', the enforcement can still be improved, notably the role of NEBs, and the right to information of passengers strengthened. In addition, in order to ensure that **persons with disabilities and persons with reduced mobility** could use air transport similar to other citizens, Regulation (EC) No 1107/2006 introduced the prohibition of discrimination based on disability (notably, PRM cannot be denied transported because of their disability) and the right of assistance free of charge in order to be able to use air transport.

The rights of **rail passengers** are ensured by Regulation (EU) 2021/782, which aims to provide significantly improved protection to rail passengers in the event of travel disruptions and to respond better to the needs of PRM. This Regulation builds on Regulation (EC) No 1371/2007,

[317] See the list of other relevant legislation at the end of this document.
[318] Recast into Regulation (EU) No 2021/782, which will apply from 7 June 2023 onwards.
[319] Member States shall lay down the rules on penalties applicable to infringements and shall take all measures necessary to ensure that they are implemented. The penalties provided for shall be "effective, proportionate and dissuasive".

which initially established the rights and obligations for rail passengers. The Regulation concerns all rail journeys and services provided under licence by one or more rail undertakings under Directive 2012/34/EU. Under the Regulation, passengers should be given clear and accessible information before and during the journey. It also sets rules for assistance and compensation to passengers so PRM can travel in a way that is comparable to other citizens. In addition, it defines procedures for complaint-handling and defines the need for enforcement by Member States. Regulation (EU) 2021/782 contains a number of new and improved rules compared to its predecessor, in particular with respect to the provision of real-time information to passengers on disruptions, the carriage of bicycles on trains and the right to self-re-routing, and provides clarity with regard to cancellations, delays and missed connections due to extraordinary circumstances.[320]

As regards **waterborne passenger rights,** Regulation (EU) No 1177/2010 applies to passengers on a passenger service where the port of embarkation is situated in the territory of a Member State or, in the case of services departing from outside the territory of a Member State by a Union carrier, in the port of disembarkation. The Regulation ensures rights for PRM and obligations in this regard to carriers and port terminals, ensures assistance in the event of travel cancellations and delays, sets minimum quality standards and defines information obligations. The Regulation is enforced by the Member States via their NEBs, who every other year has to report on their compliance. However, as only one in a million passengers makes a complaint to the National Enforcement Bodies, many NEBs seem to not have much to report. The Regulation was evaluated in December 2021, which showed that the Regulation has ensured that an equal level of rights are benefitted from across the EU. It however also showed that there is room for improvement when it comes to clarification of the Regulation itself[321], the rights it grants, but also implementation, and monitoring and enforcement by Member States. The Commission intends to further investigate the findings from the evaluation with stakeholders and NEBs throughout 2023 and 2024.

As regards **bus and coach passenger rights**, Regulation (EU) No 181/2011 applies to passengers travelling with regular services, national and cross-border, by bus or coach, where the boarding or alighting point of the passengers is situated in the territory of a Member State and where the scheduled distance of the service is 250 km or more. Passengers travelling on only a part of such a long-distance service are also covered since there is no requirement in the text for the passenger to have travelled on the entire service. The Regulation provides for a set of basic passenger rights (for example non-discriminatory transport conditions including tariffs) and extended passenger rights, for instance a right to compensation and assistance in the event of an accident. The 2021 evaluation of the Regulation demonstrated several issues undermining its effectiveness. The Commission services are therefore conducting a fact-finding study to gather more evidence on the current level of protection of passengers in bus and coach transport for schedules services of less than 250 km, to find solutions to identified issues or legal gaps such as the absence of an explicit reference to rights in case of delays during the journey and travellers feel on arrival, to assess the bus and coach market evolution and to identify the concerns of the relevant stakeholders in order to prepare possible new rules for passenger rights in bus and coach transport.

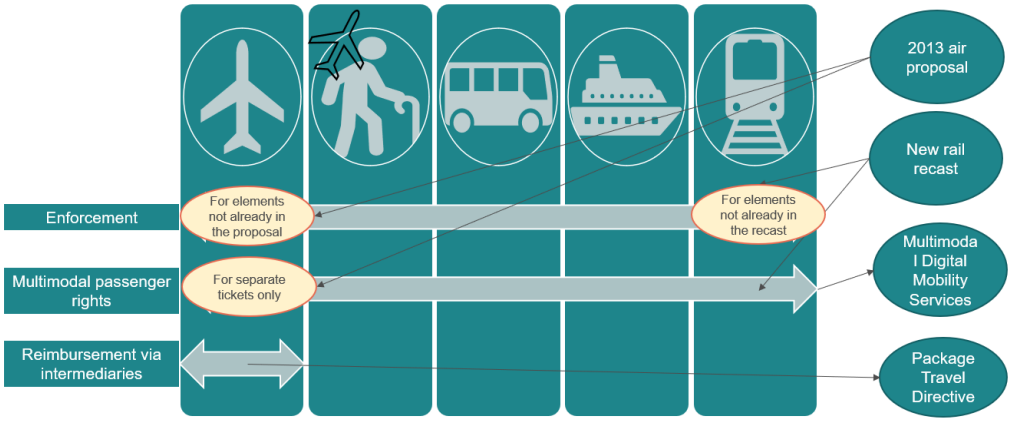
As the passenger rights Regulations have been developed at different times and have different specificities, any new addition to these will have to carefully take into consideration the

[320] Overview of the new rules Rail passenger rights FAQ document.

[321] The judgment in case C-570/19 of the Court of Justice of the European Union (Irish Ferries) provided some clarifications in the meantime, in particular regarding the notion of extraordinary circumstances or re-routing under comparable conditions.

different aspects of each Regulation. Here is particularly the new Rail Regulation, which has recently been amended as well as the 2013 Commission amending proposal for Air passenger rights. This of course interacts with multimodality where there so far are no rules, other than a rule proposed in the 2013 proposal for Air where any single ticket that is together with an air ticket is to have the air rules apply. Below is a representation of how the three different problems addressed in this impact assessment apply to the different existing Regulations as well as the proposed ones or those underway.

Figure 10 - Representation of the initiatives impact on the different existing modes



State of play

In recent years, a number of analyses[322] on the protection of passenger rights have identified that there are significant challenges for the protection passengers: passengers are often not aware of their rights, as shown by the Eurobarometer on Passenger rights of 2020, they have difficulties asserting them in case of disruption, while the enforcement of passenger rights is set by national law which leads to different ways of enforcement. A minority of passengers feel that they are well-informed about their rights by transport companies before travelling: 40% for air travel, 29% for ship or ferry journeys, 26% for rail and in coach services. In general terms, only 22% of EU citizens say they have read, heard or seen information about passenger rights in the last 12 months.

The Commission's proposal for the revision of Regulation (EC) No 261/2004 on air passenger rights, adopted in 2013, has since been on the table of the co-legislators. The objectives of this proposal are to ensure an effective and consistent enforcement, to better take into account the financial capacities of the air carriers, to ensure better enforcement with regard to mishandled baggage and to adapt the liability limites in accordance to general prie inflation. The European Parliament adopted its position in first reading in 2014 and Transport Committee of the European Parliament confirmed it as its basis to enter into inter-institutional negotiations on 24 September 2019, but the deliberation in Council is still pending. This file remains a priority pending file for the Commission for 2023[323] and has been a common legislative priority for all three EU institutions for 2023 and 2024[324].

[322] Studies on passenger rights: https://transport.ec.europa.eu/transport-themes/passenger-rights/passenger-rights-studies_en.

[323] Commission Work Programme 2023 Annex III Point 6.

[324] See https://oeil.secure.europarl.europa.eu/oeil/popups/thematicnote.do?id=41380&l=en:
The three EU institutions established common legislative priorities for 2023 and 2024, to which they want to ensure substantial progress. The list of procedure files refers also to the 2013 proposal (Joint Declaration of 17.02.2023).

Several reports and evaluations have also contributed to the understanding of the problems and their scale when it comes to the current passenger rights.

In its Special Report on passenger rights in 2018[325], the **European Court of Auditors** (ECA) recommended further harmonisation and simplification of the EU framework on passenger rights. More recently, in June 2021, the ECA issued another Special Report on the implementation of air passenger rights during the COVID-19 pandemic[326], calling for better enforcement and protection of air passenger rights, but asked also to assess this for the other modes of transport.

The study on the '**Current level of protection of Air Passenger Rights in the EU** (completed in January 2020) confirmed that the Commission's 2013 proposal was welcome by stakeholders but identified a series of problems and proposed suggestions as to address them. The study shows that the need for reform has become even more urgent since 2013. For passengers it is still rather difficult to enforce their rights (due to the complexity of the regulatory setting and the lack of information), and for airlines the burden has increased (due to increasing claim rates). Passengers' priorities have been identified are being as follows, from more to less important: care and assistance to be provided in the event of travel disruption; re-routing to be offered so that passengers may arrive at their destination as soon as possible; and reimbursement and/or compensation to be paid, where relevant.

In line with the above ECA recommendations, the Commission performed three evaluations of the regulatory framework for air PRM[327], waterborne[328] and bus and coach[329] passenger rights in 2021. The three evaluations show that the PR introduced especially a coherent level of rights for ship and bus passengers as well as air PRM throughout the EU, resulting in better protection; they also highlight that there are still gaps to be closed as well as some rules which need clarification.

The evaluation of Regulation (EC) No 1107/2006 on air PRM[330] showed that the Regulation effectively protects PRM against non-discrimination in air travel. Moreover, the free assistance they receive gives them more comparable opportunities to use air transport than before the adoption of the Regulation. Generally, airports and airlines acknowledge the necessity of this Regulation and have made considerable efforts to implement it. The total amount of complaints submitted to the NEBs relating to the Regulation is very low: about 150 complaints for the whole EU in 2019 (around 15 complaints per million passengers). Many PRMs are not aware of their rights, and even when they are, it is often difficult for them to get individual redress. In

[325] Special report No 30/2018: EU passenger rights are comprehensive but passengers still need to fight for them.
[326] Special Report No 15/2021: Air passenger rights during the COVID-19 pandemic: Key rights not protected despite Commission efforts.
[327] European Commission, Directorate-General for Mobility and Transport, Study on the EU Regulatory Framework for Passenger Rights. Part A, Evaluation of Regulation (EC) No 1107/2006 on the rights of persons with disabilities and with reduced mobility when travelling by air: final report, Publications Office of the European Union, 2021.
[328] European Commission, Directorate-General for Mobility and Transport, Study on the EU Regulatory Framework for Passenger Rights. Part C, Evaluation of Regulation (EU) No 1177/2010 on the rights of passengers travelling by sea and inland waterways: final report, Publications Office of the European Union, 2021.
[329] European Commission, Directorate-General for Mobility and Transport, Study on the EU Regulatory Framework for Passenger Rights. Part B, Evaluation of Regulation (EU) No 181/2011 on the rights of passengers travelling by bus and coach: final report, Publications Office of the European Union, 2021.
[330] Regulation (EC) No 1107/2006 of the European Parliament and of the Council of 5 July 2006 concerning the rights of disabled persons and persons with reduced mobility when travelling by air (OJ L 204, 26.7.2006, p. 1-9).

addition, some legal gaps (e.g. definition of mobility equipment, medical equipment, recognised assistance dogs) were also detected, making it difficult to apply the Regulation in certain situations.

Regulation (EU) No 1177/2010 on waterborne passenger rights[331] was introduced into a very diverse market: while some Member States with a sizeable market for waterborne passenger traffic already had a high level of passenger rights, other Member States with less traffic had no protection in place prior to the Regulation. Hence, the Regulation ensured that waterborne travellers have the same level of rights across the Union. The evaluation has however shown that there is room for improvement, both when it comes to clarification of the Regulation itself and the rights it grants, and to its implementation and Member States' monitoring and enforcement. In that context, it should be noted that a recent judgment of the Court of Justice of the European Union (CJEU)[332] has provided clarity on the interpretation of some provisions in the waterborne passenger rights Regulation. Furthermore, there may be also a lack in public awareness on passenger rights, as only one in a million passengers makes a complaint to the NEBs.

As regards the evaluation of Regulation (EU) No 181/2011 on bus and coach passenger rights[333], several gaps have been identified in the existing legal framework, including limited protection for passengers travelling on scheduled services of less than 250 km, non-coverage of delays en-route and on arrival as well as limited liability for damage or lost luggage. Furthermore, the evaluation has shown shortcomings and a lack of clarity in some provisions of the Regulation on enforcement, sometimes leading to inconsistent enforcement processes across the EU. Despite a low number of passengers' complaints to the NEBs (1.5 complaints per million passengers), the evaluation also identified limitations in the coordination of the NEBs.

Next to these evaluations, a comparative analysis of good practices on the implementation of passenger rights by carriers and national authorities across the various modes of transport was also performed by the Commission.[334] The study also identified some good practices in a sample of ten non-EU countries[335] and concluded on the limited availability of rules for protecting passenger in all modes, while putting forwards a certain trend in favour of a higher protection level for passengers. Good practices as implemented in the EU were identified for each of the ten individual PR. On top of them, fourteen were recommended for further consideration: if well implemented, these good practices could have a real and measurable impact on the EU PR framework, and on the actual travel experience of passengers.

As regards the multimodal perspective of passenger rights, the Commission also performed an 'Exploratory study on passenger rights in the multimodal context'; the study identifies the limited size of the multimodal market as well as the main reasons for this from a passenger

[331] Regulation (EU) No 1177/2010 of the European Parliament and of the Council of 24 November 2010 concerning the rights of passengers when travelling by sea and inland waterway and amending Regulation (EC) No 2006/2004 (OJ L 334, 17.12.2010, p. 1-16).
[332] CJEU – C-570/19.
[333] Regulation (EU) No 181/2011 of the European Parliament and of the Council of 16 February 2011 concerning the rights of passengers in bus and coach transport and amending Regulation (EC) No 2006/2004 (OJ L 55, 28.2.2011, p. 1-12).
[334] European Commission, Directorate-General for Mobility and Transport, Study on the EU Regulatory Framework for Passenger Rights: comparative analysis of good practices: final report, Publications Office of the European Union, 2021.
[335] The sample was made of the following countries: Australia, Brazil, Canada, Chile, India, Japan, Malaysia, South Africa, South Korea and the United States.

rights dimension. It focuses on identifying those legal gaps and proposes solutions to fill them. It observes that 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. The availability of data also constitutes a limitation in terms of both the scope and the detail of the analysis.

These reports and evaluations have contributed in different ways to the Impact Assessment as shown below:

Figure 11: Overview of studies done by the European Institutions impacting the Impact Assessment

The COVID-19 pandemic shed more light on the difficulties with the implementation of passenger rights in the event of a mass cancellation of transport services leading to a financial liquidity crisis for many carriers. While millions of passengers should have been offered the choice between a timely reimbursement or rerouting, they were often pushed to accept vouchers from carriers instead and were regularly not granted their reimbursement in money during several months.

To counter this, the Commission consistently emphasised that passenger rights remain valid and that national measures to support the travel and tourism industry must not lower them[336].

There are other EU rules contributing to the protection of passengers. For instance, Directive (EU) 2015/2302 on package travel and linked travel arrangements ('PTD') applies to travellers having purchased packages and linked travel arrangements and includes rules on the level of protection for such services which are quite different compared to those for a stand-alone ticket under the five passenger rights Regulations. The European Accessibility Act (Directive 2019/882/EU), which will become applicable in 2025, will oblige operators and terminals to make the homepages, apps, ticket services, real-time travel information as well as ticketing and

[336] Action to remedy this situation has been taken by the Commission swiftly; Commission Interpretative Guidelines on EU passenger rights regulations in the context of the developing situation with COVID-19 (2020/C 89 I/01) and Commission Recommendation (EU) 2020/648 of 13 May 2020 on vouchers offered to passengers and travellers as an alternative to reimbursement for cancelled package travel and transport services in the context of the COVID-19 pandemic.

check-in machines compliant with accessibility standards.[337] Finally, both Directive 2013/11/EU on alternative dispute resolutions for consumer disputes and Regulation (EU) 2017/2394 on cooperation between national authorities responsible for the enforcement of consumer protection laws also have the five passenger rights Regulations in its scope. Both of these instruments are currently under revision. An indicative list of other EU rules contributing to the protection of passengers is available below.

EU rules contributing to the protection of passengers

Transport mode-specific legislation

Rules specific to air transport

Council Regulation (EC) No 2027/97 of 9 October 1997 on air carrier liability in the event of accidents[338], as amended by Regulation (EC) No 889/2002 of the European Parliament and of the Council of 13 May 2002[339]

Regulation (EC) No 1008/2008 of the European Parliament and of the Council of 24 September 2008 on common rules for the operation of air services in the Community (Recast)[340]

Regulation (EC) No 2005/2111 of the European Parliament and of the Council of 14 December 2005 on the establishment of a Community list of air carriers subject to an operating ban within the Community and on informing air transport passengers of the identity of the operating air carrier, and repealing Article 9 of Directive 2004/36/EC[341]

Regulation (EC) No 80/2009 of the European Parliament and of the Council of 14 January 2009 on a Code of Conduct for computerised reservation systems and repealing Council Regulation (EEC) No 2299/89[342]

Rules specific to railway transport

Directive 2012/34/EU of the European Parliament and of the Council of 21 November 2012 establishing a single European railway area[343]

Rules specific to waterborne transport

Regulation (EC) No 392/2009 on the liability of carriers of passengers by sea in the event of accidents[344]

Rules specific to bus and coach transport

Directive 2009/103/EC of the European Parliament and of the Council of 16 September 2009 relating to insurance against civil liability in respect of the use of motor vehicles, and the enforcement of the obligation to insure against such liability[345]

Horizontal consumer protection legislation

General consumer protection framework

Directive (EU) 2015/2302 of the European Parliament and of the Council of 25 November 2015 on package travel and linked travel arrangements, amending Regulation (EC) No

[337] This exercise should remain consistent with the European Accessibility Act (Directive 2019/882) and explore the possible complement it for modes and types of transport not covered therein.
[338] https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex:31997R2027.
[339] https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32002R0889&qid=1637246812437.
[340] https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32008R1008&qid=1637246783072.
[341] https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02008R1008-20201218.
[342] https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX%3A32009R0080.
[343] https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32012L0034.
[344] https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX:32009R0392.
[345] https://eur-lex.europa.eu/legal-content/en/ALL/?uri=CELEX%3A32009L0103.

2006/2004 and Directive 2011/83/EU of the European Parliament and of the Council and repealing Council Directive 90/314/EEC[346]

Council Directive 93/13/EEC of 5 April 1993 on unfair terms in consumer contracts[347]

Directive 2005/29/EC of the European Parliament and of the Council of 11 May 2005 concerning unfair business-to-consumer commercial practices in the internal market [348]

Directive 2011/83/EU of the European Parliament and of the Council of 25 October 2011 on consumer rights, amending Council Directive 93/13/EEC and Directive 1999/44/EC of the European Parliament and of the Council and repealing Council Directive 85/577/EEC and Directive 97/7/EC of the European Parliament and of the Council[349]

Public enforcement mechanisms

Regulation (EU) 2017/2394 of the European Parliament and of the Council of 12 December 2017 on cooperation between national authorities responsible for the enforcement of consumer protection laws and repealing Regulation (EC) No 2006/2004[350]

Private enforcement mechanisms

Directive 2011/83/EU of the European Parliament and of the Council of 25 October 2011 on consumer rights[351], as amended by Directive (EU) 2019/2161 of the European Parliament and the Council of 27 November 2019

Regulation (EU) No 1215/2012 of the European Parliament and of the Council of 12 December 2012 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters (recast)[352]

Directive 2013/11/EU of the European Parliament and of the Council of 21 May 2013 on alternative dispute resolution for consumer disputes and amending Regulation (EC) No 2006/2004 and Directive 2009/22/EC (Directive on consumer ADR)[353]

Regulation (EU) No 524/2013 of the European Parliament and of the Council of 21 May 2013 on online dispute resolution for consumer disputes and amending Regulation (EC) No 2006/2004 and Directive 2009/22/EC (Regulation on consumer ODR)[354]

Directive 2020/1828/EU of the European Parliament and of the Council of 25 November 2020 on representative actions for the protection of the collective interests of consumers and repealing Directive 2009/22/EC[355]

Other horizontal legislation

Regulation (EU) 2018/1724 of the European Parliament and of the Council of 2 October 2018 establishing a single digital gateway to provide access to information, to procedures

[346] https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32015L2302.
[347] https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A31993L0013.
[348] https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32005L0029.
[349] https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32011L0083.
[350] https://eur-lex.europa.eu/eli/reg/2017/2394/oj.
[351] https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02011L0083-20180701.
[352] https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02012R1215-20150226.
[353] https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32013L0011&qid=1637245852106.
[354] https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32013R0524.
[355] https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L_.2020.409.01.0001.01.ENG.

and to assistance and problem-solving services and amending Regulation (EU) No 1024/2012[356]

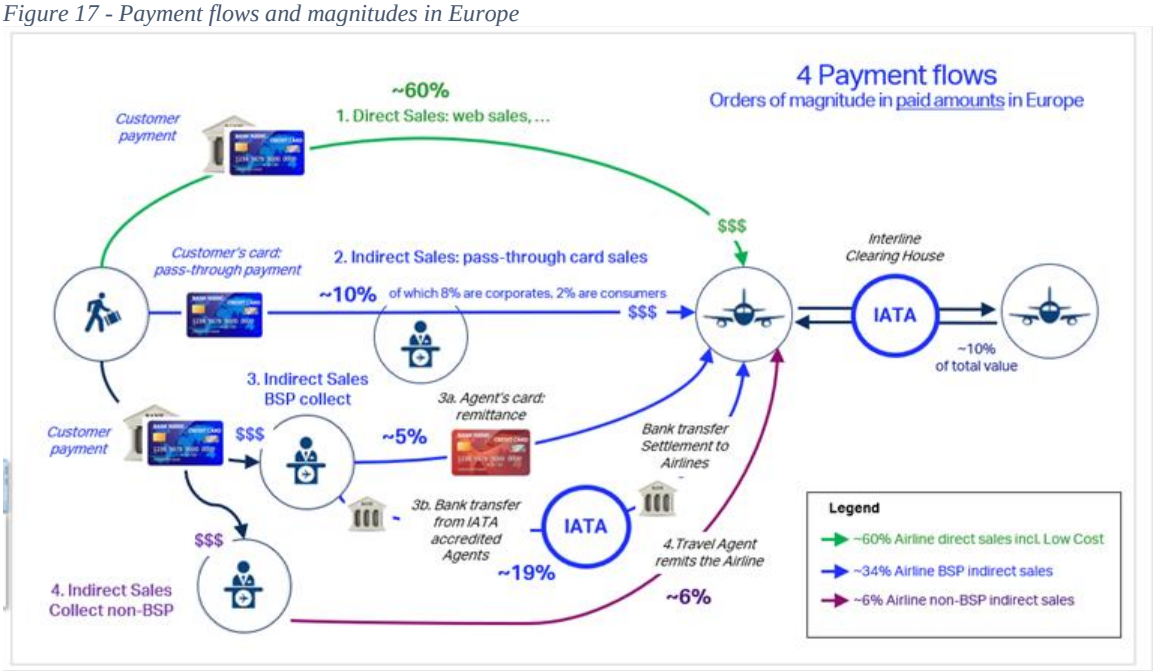
Directive 2019/882/EU of the European Parliament and of the Council of 17 April 2019 on the accessibility requirements for products and services[357]

[356]https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L_.2018.295.01.0001.01.ENG&toc=OJ:L:2018:295:TOC.
[357] https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:32019L0882.

ANNEX 10: PAYMENT FLOWS / PROBLEM OF UNCLEAR REIMBURSEMENT RULES FOR TICKETS BOOKED VIA INTERMEDIARIES

The following table has been provided by IATA in the stakeholder consultation process showing the different payment flows when an intermediary is involved in a purchase and reimbursement process.

Figure 17 - Payment flows and magnitudes in Europe



- **Flow 1** – The **Airlines** are selling directly to the customers typically through the website, their smartphone App, ticketing desk at the airport, airport kiosks, ...
- **Flow 2** – **Travel Management Compagnies (TMCs)** are the main type of travel agencies for this flow, but it could be also used at smaller scale by other types of travel agencies
- **Flow 3** – **Online Travel Agents (OTAs)**, **Brick & Mortar** travel agents are the main type of travel agencies for this flow, but it could be also used at smaller scale by other types of travel agencies
- **Flow 4** – **Tour Operators** and resellers of Charter Flights are the main type of travel agencies for this flow, but it could be also used at smaller scale by other types of travel agencies

ANNEX 11: REIMBURSEMENT POLICIES FOR TICKETS BOOKED VIA INTERMEDIARIES

When flights[358] are cancelled or suffer major delays, or when passengers are denied boarding, passengers have a right to reimbursement or re-routing, at their choice. According to current rules, when passengers choose reimbursement, they are to be reimbursed the full cost of the ticket, within seven days[359].

Airlines have two different distribution models which influence how they reimburse passengers: direct sales to passengers (mainly via their websites) and indirect sales (through intermediaries: (online and offline) travel agents and travel management companies, tour operators and resellers of charter flights). In the reference year 2019. In total, about 46.4% of tickets in the EU pass through intermediaries (450 million passengers in EU-27, including passengers from network carriers and low-cost carriers)[360]. [361]

When a reimbursement is requested of a ticket sold via indirect sales, airlines have two possibilities, which passengers are normally not aware of:

a) to process the reimbursement through the intermediary, by reversing the original payment flow. The large network and regional carriers mainly use this model, also due to the systems in place (e.g. IATA's Billing and Settlement Plan (BSP)[362]) which facilitate this through agreements with the intermediaries; or
b) to process the reimbursement to the passengers by themselves, without involving the intermediary. This latter model is either used when passengers request the reimbursement directly to the carrier, which is rare, or by large low-cost carriers which have an exclusive direct (online) distribution model and prefer not to involve intermediaries.

Even if an airline has an exclusive direct (online) distribution model, it is worth noting that certain intermediaries circumvent it and book tickets with the airline nevertheless (often known as screen scraping). Therefore, a part of these airlines' tickets sold via direct sale channels include those sold by intermediaries which do not have any formal (interline/codeshare) agreement with the airline. Although no reliable data is available, figures from one large low-cost carrier show that bookings via such screen scraping intermediaries may represent up to 13% of all air tickets sold by this carrier. In the absence of more granular data, if we assume that tickets sold via screen scraping intermediaries represent 13% of all bookings, this may affect up to 129 million passengers in 2019. However, airlines are often unable to identify such booking and are therefore unaware when such bookings are made, preventing an exact estimate on how many passengers may be affected.

The airline either does not know that an intermediary booked the ticket[363], or the airline detects that the ticket was booked by an "unauthorised intermediary". This creates extra complexity when it comes to reimbursements, where the carriers may oblige the passenger to request the reimbursement directly from them (in order not to have to deal with intermediaries whose

[358] The Call for Evidence and other evidence collected did only show problems with reimbursements for airline tickets, but not for bus, rail or ship tickets.
[359] Art. 8.1 (a) of Regulation (EC) No 261/2004.
[360] Information provided by IATA, the global trade association of airlines.
[361] Network carriers in the EU sold about 53% of their tickets (about 382 million passengers in terms of tickets sold in 2019) through intermediaries, whereas this share is 15% for low-cost carriers (about 68 million passengers in 2019).
[362] IATA's Billing and Settlement Plan (BSP) is a system designed to facilitate and simplify the selling, reporting and remitting procedures of IATA Accredited Passenger Sales Agents, as well as improve financial control and cash flow for BSP Airlines.
[363] E.g. with the intermediary pretending to be a passenger and providing the intermediary's contact email address as the passenger's contact details, according to stakeholder evidence.

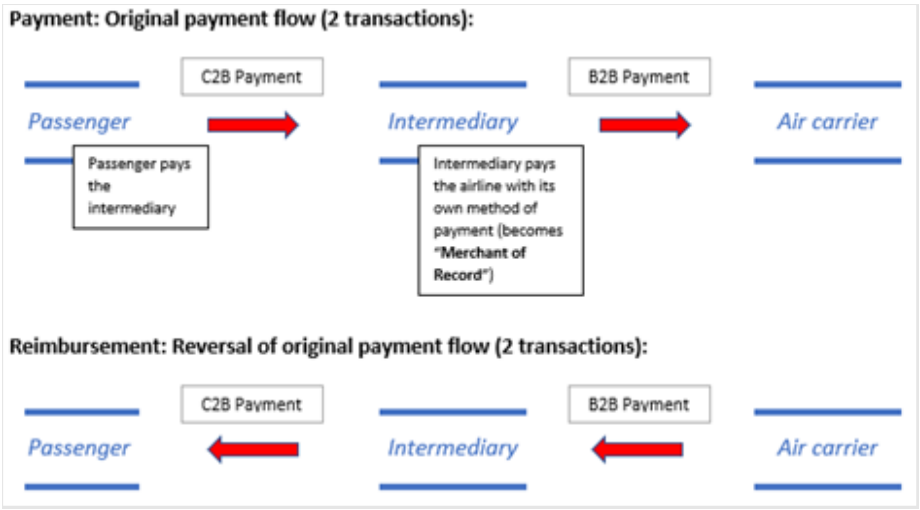
activity it has not authorised). Carriers may then ask passengers for a biometric identity check before check-in[364] and request the passenger to provide additional information for the reimbursement, including the bank details of the original customer, so that the reimbursement payment does not arrive with the intermediary.

When reimbursements are processed through intermediaries (possibility (a) above), there are again two possible ways, which passengers are usually not aware of either:

1) The intermediary's customers may be reimbursed by the airline directly to the means of payment that they used when they paid for the flight. This happens in 10% of ticket sales in Europe in paid amounts[365] when the intermediary is a 'pass-through agent' and just passes the customer's debit or credit card details to the airline as a means of payment (in a secure way, i.e. without itself seeing the details), and is not itself involved in the financial transaction. The intermediary may then request the reimbursement to the airline, the airline reverses the original payment and it arrives directly with the customer.

2) The intermediary's customers may be reimbursed by the intermediary, from the intermediary's account. This happens in 30% of ticket sales in Europe in paid amounts[366]. These intermediaries act as "Merchants of Record". This means: they have received the passenger's payment, and then paid the carrier from their own bank account. This adds an **additional payment transaction to the payment flow**, but also **to the reimbursement flow**, under which the original two payments[367] are simply reversed.

Figure 12 - Indirect booking via Merchant of Record intermediary



If the passenger has given the intermediary a valid mandate to receive the reimbursement on the passenger's behalf, the intermediary has to receive the reimbursement from the air carrier within seven days. The deadline within which the intermediary has to forward the reimbursement to the passenger depends in this case on the agreement between the passenger and the intermediary. The terms and conditions of the intermediary may sometimes not foresee any deadline for the transaction from the intermediary to the passenger, i.e. not giving the passengers any certainty on when they will be reimbursed, or a very long deadline (several

[364] E.g. see Ryanair's terms and conditions, art. 6.2.9., "Express verification" (ryanair.com). Passengers are asked to provide a photo of their passport or identification card, then to take a photo of their face to allow the carrier to verify the travel documentation which they provided and then to carry out a liveness check of the passenger's face.
[365] According to IATA, see Annex 11 – Payment flows.
[366] According to IATA, see Annex 11 – Payment flows.
[367] Payment 1: from customer to intermediary, payment 2: from intermediary to carrier.

weeks)[368].

Another problem for passengers who book via an intermediary ticket vendor is unclarity on whom to contact with a reimbursement claim. This issue was also pointed out by the European Court of Auditors in its report of June 2021. In some cases, passengers 'bounced' between the airline and travel agency. Passenger and consumer organisations confirmed that the responsibility for reimbursement is unclear to the passengers and needs to be clarified. An airline umbrella association reported that passengers may get over-refunded, in cases where a passenger requests the reimbursement to both the airline and the intermediary, or where the passenger requests the reimbursement from the airline and at the same time launches a credit card chargeback[369] against the Merchant of Record intermediary.

[368] See below the European Commission's online search result of intermediaries' terms and conditions on refund transfer, 3/6/2023.

[369] The major credit card companies reimburse customers for services not rendered; the responsible entity is the respective Merchant of Record.

ANNEX 12: INTERMEDIARIES' TERMS AND CONDITIONS ON THEIR REIMBURSEMENTS TO CUSTOMERS

The Commission has conducted research into selected merchant of record intermediaries' reimbursement payment deadlines to the customer, after having received the reimbursement payment from the airline, according to the intermediaries' terms and conditions. This research was done as an online research on 05 June 2023.

E-Dreams terms and conditions

Terms and conditions: Review our general terms & conditions - eDreams

Time: Be assured that after due receipt of the refund and of the relevant and valid information attached to it, we will transfer it back to you **in 7 days**.

E-traveli terms and conditions

Terms and conditions: Cancellations to bookings - FAQs (e-travel.ie)

Time: The time between cancellation and refund may vary, depending on the service provider we are partnering with. Accommodation booking refunds can be within 10 working days. Flight cancellation refunds can be up to 6 to 10 weeks as a result of delays with refunds being processed by IATA back to us, the agent, on behalf of the airline. We will refund our customers **as soon as we receive the refunds from the airline**.

Kayak

Terms and conditions: Book with KAYAK Terms & Conditions - KAYAK

Time: In most cases, the refundable amount will be credited back to the original method of payment; however, there are exceptional situations in which tickets will be refunded via alternative methods such as check or PayPal. We will issue refunds for eligible tickets **within 20 business days for credit/debit card purchases**, but please note that this does not include Your own bank processing time.

Kiwi

Terms and conditions: Terms and Conditions | Kiwi.com

No deadline foreseen for Kiwi's reimbursement to the passenger, after it has received the funds from the carrier.

Opodo

Terms and conditions: Opodo general terms and conditions

Time: In some cases, the refunds from third party providers will be received by us and passed on to you. Be assured that after due receipt of the refund and of the relevant and valid information attached to it, we will transfer it back to you in **7 days**.

Kissandfly:

Terms and conditions: Kissandfly | Terms of Service

Time: In case of payment for flight tickets directly to the Agency, a refund will be carried out after receiving the refund from the Carrier by the Agency. The Agency has no influence on the timely refund by the Carrier. In case the payment was made directly to the Carrier, a refund is

usually carried out **within 10-60 business days**, while the Agency has no influence on the timely refund by the Carrier.

Travelstart:

Travelstart | Travel conditions

Time: The refund is dependent on the airline's processing times. These can vary significantly between the different airlines, and unfortunately we cannot influence the processing times. We will certainly do our best to ensure that any refund that you are owed is made to you **as soon as possible**.

Govoyages:

Terms and conditions: Govoyages – Comment se faire rembourser?

Time: Bien que les compagnies aériennes soient tenues de procéder à un remboursement dans un délai de 7 jours en vertu du règlement CE 261/2004 de l'UE, elles mettent actuellement 30 jours en moyenne pour traiter les remboursements.

Nous recevons les paiements des prestataires tiers avant de vous les transférer. Une fois que nous avons reçu le remboursement avec les informations correspondantes et valides de la part des compagnies aériennes, nous procédons au transfert dans un délai de **7 jours**, en utilisant le même mode de paiement que celui de votre réservation d'origine.

Bravofly:

Terms and conditions: Bravofly | General Terms and Conditions for booking plane tickets

Time: If you do not make a refund method choice and no response is received by us, the Company will finalise the refund as a cash refund **after 60 days**.

Finally, we inform you that airlines **may take up to 12 months** to refund your money or provide the corresponding economic compensation.

Mytickets:

Terms and conditions: Mytickes | Terms of Service

Time: In case of payment for flight tickets directly to the Agency, a refund will be carried out after receiving the refund from the Carrier by the Agency. The Agency has no influence on the timely refund by the Carrier. In case the payment was made directly to the Carrier, a refund is usually carried out **within 10-60 business days**, while the Agency has no influence on the timely refund by the Carrier.

On the beach:

Terms and conditions: onthebeach.co.uk/terms_of_business

Time: In case of any refund payable to you in accordance with these Booking Conditions, you will receive the monies back on the most recent debit/credit card you used to pay for the Travel Arrangements. If that card has expired or been cancelled and the refund is unsuccessful, then please contact our customer service department.

Dohup:

Terms and conditions: Terms & Conditions – Dohop

4.7 Dohop will use the payment method provided by the Customer to issue the reimbursement. The Customer represents and warrants to Dohop that the payment information provided is accurate and that the Customer is authorised to use the payment instrument. Incorrect payment information may result in Dohop being unable to issue the reimbursement and/or affect the reimbursement amount received by the Customer as the exchange currency rate on the day Dohop receives the correct information will be used, not the currency rate on the day the incorrect information was received, and any and all additional costs in relation to the provision of incorrect payment information must be borne by the Customer.

Hopper:

Terms and conditions: Can I receive a refund for my flight? (hopper.com)

- Our agreement with most lost-cost carriers such as Spirit, Frontier or Norwegian Air requires that we collect the funds directly and then forward payment to the airline from Hopper's account. If you are waiting to receive a refund, please note that it may take 1-2 weeks for this to be processed back to your account. For these bookings, your Hopper confirmation code will usually begin with a "Z-" or "X-" (example Z-ABCDEFG).

ANNEX 13: CPC ACTION

CPC action on airline intermediaries, 2020-2022, Air travel (europa.eu), question 7 to airlines: "Inform passengers about the possibility of requesting a refund directly from the airline and any conditions for requesting a direct refund on their websites, for passengers who booked their flights through an intermediary and are experiencing difficulties"

Table 161: Information on possibility to request a direct refund in the CPC action

Airline	Possibility to request a direct refund
Aegean Airlines	For intermediate sales, Aegean Airlines has activated (since July 2020) an open access mechanism where the on-line intermediaries / travel agents could apply unilaterally the "refund notice" and proceed with immediate available funds for refund to the entitled passengers. In cases that passengers have directly contacted the intermediary for refund, and encountered delays, and Aegean was subsequently contacted, we have assisted and coordinated all actions available to ensure that the refund will be made in the timeliest manner. If the intermediate did not reply or refused to proceed with a refund, then Aegean satisfied such claim and proceeded with the direct refund to the passenger. Aegean has recently launched new regulations to the travel agents whereby requires them to share passengers' data also with the airline so that in case of any delay, change or a cancellation of a flight, the passenger is on a prime basis in the list of contacts of the airline.
Air France	When purchased through a third party, in the sole benefit of the passengers, Air France suggests its passengers to first contact the said third party in order for them to be reimbursed of the full price they have paid, consequently including services fees that might have been charged. If the third party does not respond to the customer and the customer does not receive a refund, the customer may contact Air France who will handle the refund request so that the amount of the ticket can be effectively refunded.
Austrian	As discussed before, Austrian will reimburse passengers who are entitled for a refund, regardless of how they purchased their ticket. As requests are handled on a case -by -case basis, there is no default routine to handle intermediary bookings in a specific way. If a customer is eligible for a refund, he will be reimbursed.
British Airways	On its website British Airways invites passengers that require assistance with obtaining a refund from intermediaries to contact BA. Where travel agents have consistently failed to pass on refunds, a relevant British Airways' account manager is in contact with the organisation directly to prompt refunding. The airline has and continues to terminate relationships with intermediaries that fail to abide by its agency terms and conditions (which include the requirement to comply with refunding requirements). Where a travel agent has become insolvent, the airline has been able to assist customers.
Brussels Airlines	Brussels Airlines NV/SA refunds passengers who are entitled for a refund, regardless of how they purchased their ticket. As requests are handled on a case-by case basis, there is no default routine to handle intermediary bookings in a specific way. If a customer is eligible for a refund, he/she will be reimbursed in compliance with Regulation 261/2004.

Airline	Possibility to request a direct refund
EasyJet	EasyJet already allows passengers to contact the airline directly to manage bookings (alternative flight, voucher or refund) either online or by contacting the Customer Service team. If the passenger does not have the booking reference, they can contact our Customer Service team who will process requests for them on passing of appropriate data protection security questions (passenger names, flight details etc.) and confirmation that they have authorisation to manage the booking. We are not involved in or responsible for any 'package' put together by third party holiday companies (and we are not responsible for refunds under the Package Travel Regulations). Passengers who booked their ticket via an intermediary are informed about the possibility of requesting a refund directly from easyJet via the Help Hub and the Delays and Cancellations page. In the spirit of full cooperation with the CPC, easyJet has further improved the transparency of the information provided in these pages.
Eurowings	As stated before, Eurowings will reimburse passengers who are entitled for a refund, regardless of how they purchased their ticket.
Iberia	In present passengers who booked through an agency/intermediary and are having difficulties obtaining a cash reimbursement may contact Iberia customer center and his/her request will be managed directly. Soon these requests may be also submitted via an online webform in our webpage www.iberia.com In the FAQ section of our webpage information is provided to our customers on how to proceed in case they are not able to obtain reimbursement of their ticket from their intermediary in case of flight disruption. Passengers are also informed in their "Manage My Booking" area that they may reach our contact center to obtain reimbursement in case of flight disruption.
KLM	For tickets booked through the KLM website, a refund can be requested via the website. The request will be processed within 7 days. In case of questions, our Contact Centres will be happy to assist. Information on all contact options can be found on the website. For tickets booked via a travel agent, the online refund system can, unfortunately, not be used. We advise passengers contacting their travel agent first, as they have all needed information to arrange the refund. Contact details can be found on the travel agent's website. However, if preferred, passengers can also contact KLM directly to help arranging a refund of a ticket booked via an agent.
Lufthansa	For tickets booked via a travel agency, we recommend that customers also get in touch with the travel agency. If they do not receive a response in a timely manner or it seems necessary for other reasons, they are asked to contact us again for further processing.
Norwegian	We have been made aware that some travel agencies are either rejecting to make a full refund or is charging a fee for doing this, so although the contract is between the customer and the travel agency, and the payment is made to the agency, Norwegian has created an online form for direct refund requests specifically to our customers that booked through a third-party. If trying to use the online claim form for direct bookings, the customer will be redirected to the appropriate form. If the passenger contacts us by phone, chat, social media etc, we will inform about the form.
Ryanair	For safety and security reasons, passengers who booked their flight via an unauthorised intermediary and request a refund directly from us are required to complete customer verification before their refund can be processed. Such passengers can either verify their identity using online verification or manually using our customer verification form.

Airline	Possibility to request a direct refund
	Alternatively, the unauthorised intermediary may avail of our letter of authority process to claim any refunds already paid to the passenger. Additionally, we have an "OTA Information Hub" on our website dedicated to informing customers about the risks associated with unauthorised intermediary bookings, and clear guidance on how to claim a refund if the passenger has booked through an unauthorised intermediary. On 30 September 2021 we issued an "unauthorised intermediary reminder email" to unauthorised intermediary bookings with outstanding cash refund requests, reminding of the Letter of Authority and Customer Verification processes which can be availed of to obtain a cash refund. In addition, we have updated our "OTA Information Hub (https://www.ryanair.com/ie/en/onlinetravel-agents/) to allow passengers who booked through an unauthorised intermediary to "identify themselves" to Ryanair in order to update their contact details in our reservation system.
Tap	The refund request flow presents the passenger with information about the acceptance of refund requests for bookings that have been made through intermediaries. TAP accepts requests from all passengers who have evidence and/or claim that they are unable to contact or obtain their refund through the intermediary.
Vueling	When a flight is cancelled, customers receive an email with the possibility to self-manage their refund request on http://www.vueling.com even if they booked through intermediaries.
Wizzair	Wizz Air initiated an information campaign against online travel agencies (OTA). In this regard Wizz Air has updated its information page on the advantages of direct booking at Wizz Air's website and the possible disadvantages that may occur if one uses intermediaries: https://wizzair.com/en-gb/informationand-services/booking-information/directbooking-benefits Nevertheless, Wizz Air Customer Service. Department reached out to online travel agencies seeking for their cooperation in specific cases but - to Wizz Air's astonishment - they never replied. This experience underlines the necessity to regulate online travel agencies at EU level as they can act without any further responsibility which is detrimental to passengers.