

MaaS Alliance
– response to Consultation on Competition Policy supporting the Green Deal
November 2020

Mobility as a Service (MaaS)

MaaS is the integration of various forms of transport services into a single mobility service accessible on demand. For the user, MaaS offers added value through the use of a single application to provide access to mobility, with a single payment channel instead of multiple ticketing and payment operations. To meet a customer's request, a MaaS operator facilitates a diverse menu of transport options, be they public transport, ride-, car- or bike-sharing, taxi, car rental or lease, or a combination thereof. A successful MaaS service also brings new business models and ways to organise and operate the various transport options, with advantages including access to improved user and demand information and new opportunities to serve unmet demand for transport operators. The aim of MaaS is to be the best value proposition for its users, providing an alternative to the private use of the car that may be as convenient, more sustainable, and even cheaper while contributing to the achievement of societal and environmental goals.

The European Commission has set out ambitious goals for the European transport sector to deliver a 90% reduction in greenhouse gas emissions by 2050, while at the same time providing citizens with more affordable, accessible, healthier and cleaner transport alternatives. **Mobility as a Service, MaaS presents a powerful tool in reaching the decarbonisation goal**, with a significant emission reduction potential while providing Europeans with all-encompassing services to meet their mobility needs both locally and when travelling across the Union.

According to ITF, MaaS will reduce the CO₂ emissions of our transport system by 30 % and vehicle-kilometres by 50%. This potential was also acknowledged by the EU Green Deal presented last year. In evaluations on the cost-benefit relation of different tools to reduce transport emissions, servitization has also been highlighted for its superior cost-effectiveness vis-a-vis other measures like i.e. renewing the vehicle fleet. With an enabling push from the regulators we can make MaaS to deliver on a wider scale across the whole European Union - making our transport system more sustainable (with reduced emissions),

efficient (by optimising resources and operations of transport system) and also more resilient.



In order to encourage much needed innovations and new services, all regulation should remain business model and technology agnostic and it should not select the winners or the losers of the market. Instead, regulation should set a **level-playing field and competitive and non-discriminatory market with open market access**. By ensuring that MaaS-operators are not hindered by protectionism and market distortion, decision-makers support the MaaS ecosystem and help it thrive. Under the scope of this consultation, there remains challenges related to a **access to data and resale of tickets and fair competition**.

The MaaS Alliance strongly encourages an **open ecosystem approach** where the user would have several options to choose from. This open ecosystem approach implies that a **non-discriminatory access to critical assets and essential services**, such as public transport tickets, should be enabled for intermediate platforms, like MaaS. This is particularly important when the Transport Service Provider is in a dominant market position at local, regional or national level providing essential services, such as services to regional or national railway networks or public transport level services within a city or a region, that establish a high-capacity core service for a certain area or corridor. This open ecosystem approach also supports the scalability of services beyond isolated city islands, facilitating the seamless services not only in cities but also for intercity and cross-border travelers. At the EU-level this might need an additional regulatory push to determine the ticket products, types of public transport and other modes that needs to be made accessible to MaaS operators.

It is worth noticing that while in the emerging platform economy, it is typically the platform that holds a stronger bargaining position, in the MaaS market the situation is often the opposite, due to the characteristics of the transport services market. In the digital era, a digital platform can be a **tool to add transparency and market dynamics and facilitate freedom of choice for users**. Thus, when analysing the platforms e.g. in the context of the ITS Directive and the Digital Services Act, from a MaaS point of view one of the main questions is how to regulate platforms so that they mitigate rather than amplify the monopolized characteristics of the transport service market itself.

The **access to and resale of public transport tickets** is a prerequisite for MaaS to develop. Europe benefits from a reliable and high-quality public transport system as the backbone of our sustainable mobility services. In the most efficient public transport systems the mass transit solutions are complemented by various shared and on-demand services. In this multimodal context, ticket resale is no longer solely a tool to guarantee a high level of public service but an elemental cornerstone in a whole new market. To drive MaaS development, it is essential to develop **functioning markets for ticket resales on viable and reasonable commercial terms**.

By encouraging more sustainable mobility mix:

- From single-occupancy to shared vehicles / rides
- Better information on active mobility options
- Making multimodal combined trips more predictable, easy and attractive
- Providing better info & access to tourist, to public transport networks, and services



By making transport network operations more efficient:

- Less vehicles – less urban space needed for vehicles - less traffic & congestions related to search of the parking space
- "Fleet effects" (B2B market): Easier to implement measures through agreement with fleet operators
- Data gathered by MaaS app used for predictive traffic management services and network and capacity management

MaaS and Public Service Obligations (PSO)

At the MaaS Alliance our main focus is always on the user and how we can increase their freedom of choice in sustainable mobility. While the PSO regulation helps to organise and provide a public service, it does not necessarily ensure that services are easily accessible, user-centric and provided to as many people as possible. To reduce emissions, it is clear that a larger percentage of Europeans need to use sustainable alternatives like public transport. MaaS operators constitute new sales channels and partners in attracting customers to public service all over the continent. In many senses, the benefits of a MaaS operator is on par with other resellers which are seen by PSOs as a tool to save costs, increase ticket sales and raise the service level for residents.

As a significant amount of public funding is directed via PSOs, the European Commission should ensure that they are used as effectively as possible. By setting up further requirements for data sharing, technical integration capabilities and fair commercial terms for PSO-services, the Commission would accelerate the achievement of the ambitious transport policy goals. Operators working under PSO are directed by the best interests of the public with the goal to provide citizens with high quality services. Without the restrictions of commercial interests, they can direct the ecosystem by ensuring access to real-time data, interoperable ticketing systems and fair commercial terms. While there are some operators moving in this direction, the leveraging of PSO to drive MaaS and provide Europeans with new innovative mobility services is still a largely unused opportunity. PSO can be a strong tool in unifying the mobility field, building trust and speeding up the creation of an ecosystem that encourages new innovations with high-quality public transport services as a backbone. MaaS supports PSOs in diminishing costs, while providing an additional level of benefits to customers by combining the available transport options for seamless journeys.

We want to highlight the need to separate the different services and define more clearly the services that could be included in PSO and the services that are offered through market. To our knowledge, there are currently no contract defining MaaS services as pertaining to the PSO in Europe. We have, nonetheless, identified instances where public transport authorities are treating the operation and supply of MaaS services as if they were included in the PSO and creating MaaS offerings together with singular transport service providers - effectively restricting access to the market for other MaaS operators and transport service providers.

The MaaS Alliance also calls for the effective separation of different roles of Public Transport Authorities (PTAs). PTAs can have different roles, but the roles have to be organised in a way that they are not conflicting; for instance, it should be clear that PTAs cannot be “the referee” or governing body for the services at the same time than providing these services to the market themselves. While *Regulation 1370/2007* allows PSO to cover a range of activities and duties that the competent authorities can carry out themselves or entrust to a third party, functioning as a MaaS aggregator and operator in a new market is beyond the scope of offering passenger transport services.

As the MaaS market and the market for mobility services is deregulated and competitive in many parts of the Union, including MaaS services in the PSO would also be in conflict with the core European values of competition and a free market economy. To comply with *Regulation 1370/2007* and general applicable competition law, any MaaS aggregation and MaaS product offerings would need to be separated from a PSO concerning passenger transport services. In addition, all public transport products created under PSO would also need to be offered to other MaaS operators on equal terms to those of the publicly owned MaaS operator. **An EU wide minimal reference ticket offer by PTOs towards the market, should be included in the Public Service Obligations (PSOs).** In this context we also call for a strong enforcement of the current competition rules with a good oversight.

To summarise, the MaaS Alliance suggests the following steps to be taken by the EC:

- 1) **Continued efforts to develop an open ecosystem, by 1) enhancing the further access to data and 2) establishment of non-discriminatory access to public transport ticket resale, validation and control functionalities with fair commercial terms, gradually extended to cover all ticket types.**
- 2) **Conflict-avoiding rules of effective separation of different roles of Public Transport Authorities:** they should not be the governing body while providing services to the market themselves, whether directly or through delegated public transport operation contracts
- 3) **Full enforcement of the competition rules with a credible market oversight** to prevent abuses of dominance that can disable and complicate the technical and commercial integration of services into a MaaS offering
- 4) **Clarifying guidance to be issued on the interaction between public service obligations and the new MaaS market** as well as the applicable competition law in this interaction. The guidelines should instruct operators working under a PSO to encourage MaaS development and support the Commission's goals¹ to:
 - a. incentivise large scale market deployment of new transport technologies
 - b. facilitate a shift towards low-emission transport modes by moving and incentivising passengers to more sustainable alternatives
 - c. improve efficiency across the whole transport system, including through multimodality
 - d. revamp the European agenda for sustainable urban and regional mobility, including cycling, intermodal transport and mobility on demand.

More information is also available:

- 1) [Market Access and Competition Issues related to MaaS](#)
- 2) Public Service Obligations and Mobility as a Service (enclosed)

The Mobility as a Service Alliance (MaaS Alliance) is an international public-private partnership that is creating foundations for a common approach to MaaS and unlocking economies of scale needed for successful implementation and take-up of MaaS in Europe and beyond. The main goal is to facilitate a single, open market and full deployment of MaaS services. MaaS Alliance members from all sectors collaborate to create the enablers needed for successful deployment of MaaS in Europe and beyond.

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¹ 07/20 Roadmap: Communication from the Commission on the EU Strategy for a Sustainable and Smart Mobility