



## FUTURE EU TRANSPORT POLICY UNTIL 2050: THE ROLE AND PLACE OF BUSES, COACHES AND TAXIS

### Industry vision and key recommendations

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#### Summary:

*Buses, coaches and taxis are the largest commercial passenger transport service provider. As such, they have the potential to further enhance the sustainability of the European transport system at all levels – local, regional, national and international - thanks to the unique combination of advantages they offer in terms of safety, environmental-friendliness, affordability, flexibility and accessibility.*

*Buses, coaches and taxis are the closest complement, competitor and substitute of the private car. Together, buses, coaches and taxis constitute the backbone of the commercial mobility chain, since they complement and empower other commercial transport modes. As such, they will inevitably contribute more than any other commercial passenger transport mode to achieve the extremely ambitious objectives of the EU transport policy, thanks also to their intrinsic characteristics, such as door-to-door flexibility, private sector adaptability, and proximity and care to customers.*

*Only by placing buses, coaches and taxis at the heart of the attention and by setting a clear policy and business target to increase their use – indeed to double it in the next 10-15 years - can policy-makers at all levels create a conducive legislative, market and operational environment, to produce a shift in customers' behaviour and achieve an inclusive, efficient and sustainable mobility for all European citizens and visitors, at the lowest cost for society.*

## **I. NEED FOR A STRATEGIC VISION AND PRACTICAL MEASURES FOR THE LARGEST COMMERCIAL PASSENGER TRANSPORT MODE**

On 28 March 2011, the European Commission published its White Paper on the future of the EU transport policy until 2050 called "Roadmap to a Single European Transport Area – Towards a comprehensive and resource-efficient transport system".

Whilst setting ambitious overall policy objectives for a very long-term period, the White Paper failed to provide a comprehensive strategic vision on how buses, coaches and taxis – indeed the largest collective/public passenger transport service provider – could be integrated into the future EU transport, mobility and travel chain, i.e. in the same way as has been provided for railways.

As a result, with possibly the partial exception of short distance transport in urban areas, there is no coherent set of practical support measures included in the White Paper to enhance the role of buses, coaches and taxis in the EU mobility and travel/tourism chain. Individual incentives and support measures addressing the bus/coach/taxi sector, such as VAT harmonisation, the creation of a city traffic restrictions framework at EU level, and green vehicle procurement, stand alone, and are considerably weakened by the lack of vision and the lack of a consistent policy prioritisation of buses, coaches and taxis.

The purpose of this paper is, therefore, to fill in this gap by providing a vision and a set of practical measures to be implemented at EU, national, regional and local level. The objective is to unleash the mobility and travel potential of buses, coaches and taxis, as a key constitutive element of a future-oriented and resource-efficient European mobility and travel system, and a key contributor to achieving the ambitious overall priority target of reducing greenhouse gas (GHG) emissions by 60%.

## **II. THE INDUSTRY VISION – POLICY PRIORITISATION OF BUSES, COACHES AND TAXIS – COUPLED WITH A MEASURABLE TARGET, ARE NEEDED**

Together, buses, coaches and taxis are the largest commercial mobility and travel provider in the EU Member States, second only to the private car.

As the closest complement, competitor and substitute of the private car, buses, coaches and taxis will inevitably contribute more than any other commercial passenger transport mode to achieve the extremely ambitious objectives of the EU transport policy, thanks also to their intrinsic characteristics, such as environmental-friendliness<sup>1</sup>, door-to-door services, flexibility and accessibility to people with disabilities, private sector adaptability, and proximity and care to customers, if:

- recognised as such by policy decision-makers at EU, national, regional and local levels, and, as result,
- effectively placed at the heart of policy-making, and given priority in resource allocation.

This process has already started, and buses, coaches and taxis are increasingly recognized among professionals, the scientific community and policy decision-makers as the most

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- 1 bus/coach = 30 cars. Buses and coaches are champions in fuel/energy-efficiency among all passenger transport modes per passenger transported.
- 1 taxi can functionally replace the use of 10-20 private car journeys

environmentally-friendly, flexible, safe, efficient, affordable and inclusive means of transport and travel.

Used effectively, buses, coaches and taxis provide an optimal solution to a range of current and future mobility challenges, such as climate change, connectivity, accessibility, social inclusion and congestion.

Together, buses, coaches and taxis equal, and even surpass in several cases, the mobility potential of the private car, whilst at the same time empowering the other individual and collective transport modes, thus constituting the backbone of the mobility chain.

As such, buses, coaches and taxis are the mode that has the potential to unlock and further enhance the mobility potential of the European transport system at all levels – short, medium and long distance - since the advantages they offer to the travelling public go hand in hand with the current and future collective preferences of European citizens in terms of safety, environmental-friendliness, affordability, flexibility and accessibility.

Only by placing buses, coaches and taxis at the heart of the policy attention and by setting a clear policy and business target to increase their use – indeed to double it in the next 10 to 15 years - can policy-makers at EU, national, regional and local level create a conducive legislative, market and operational environment, to produce a shift in customers' behaviour and achieve an inclusive, efficient and sustainable mobility for European citizens and visitors, at the lowest cost for society.

### **III. THE SHARED OBJECTIVE – DOUBLING THE USE OF BUSES, COACHES AND TAXIS**

Doubling the use of buses, coaches and taxis in Europe in the next 10-15 years has been proposed by the industry to become the shared policy and business objective at EU level.

Doubling the use of bus and coach services alone is expected to bring:

- a reduction of road fatalities by more than 3000 per year, and a considerable reduction of serious and less serious injuries;
- a reduction of CO<sub>2</sub> emissions by at least 50 million tonnes per year, and a reduction in the mobility chain of the other pollutants emitted into the atmosphere;
- a spectacular reduction of congestion in cities, as a result of the expected 10-15% fall of car traffic;
- the creation of 4 million new green jobs

all at the *lowest cost* for taxpayers.

Promoting and achieving the ambitious objective of doubling the use of buses, coaches and taxis is also expected to create a new mobility culture and a virtuous circle of the European public increasingly using and perceiving collective passenger transport as a real alternative for their short, medium and long-distance mobility and travel needs.

### **IV. HOW TO ACHIEVE THE OBJECTIVE OF DOUBLING THE USE OF BUSES, COACHES AND TAXIS?**

Changing the mindset and the perception of buses, coaches and taxis in society, starting with policy decision-makers is the first step.

The legislation should follow, or in many cases even precede, this change in mindset. And this is a challenging task since it affects all aspects of bus/coach/taxi market functioning and companies' ability to deliver the services their customers demand.

It covers rules and regulations at European level, such as public service obligations, access to profession and market access (with the much needed simplification or even removal of some control documents, such as the journey form for occasional transport), cabotage in international bus/coach regular lines, practicable passenger rights rules, sector-specific driving and rest time rules, VAT, energy taxation, user charges, weights and dimensions of vehicles, to name but a few.

But it also covers national rules and rules determined at local level, such as sustainable urban mobility plans, availability of parking areas, stops and multimodal bus and coach terminals (as part of the trans-European transport networks, TENs) with easy access, including easy access to the terminals of other transport modes, and industry-friendly city traffic rules and low-emission zones.

It covers incentives and sufficient public funding, where necessary, for collective passenger transport services by bus, coach and taxi at European, national, regional and local level.

It also involves a policy and legislative decoupling of professional commercial transport by bus, coach and taxi (indeed, incentivising their use) from the treatment of private cars.

At the same time, it also involves a recognition of the complementarities, but also of the public benefits from establishing a level playing field for competition between commercial transport modes and, in particular, between commercial passenger transport by rail, air and road, for the benefit of customers and society as whole.

Doubling the use of bus/coach/taxi services, therefore, means:

- ***Doubling the political attention and resources devoted to buses, coaches and taxis*** by policy decision-makers at all levels, to offer an appropriate market, legislative and administrative framework, and public funding that allows collective road passenger transport to thrive;
- ***Doubling public investment in collective road passenger transport services, and in multimodal infrastructures, terminals and stops***, to offer an interface, where car drivers can actually be “converted” into passengers;
- ***Doubling customer care and efforts by company managers and their drivers***, to offer car drivers a credible long-term complement and/or alternative to the use of their private car; and
- ***Doubling the willingness and readiness of all stakeholders to work together*** – politicians, businesses, partners, the organised civil society – to achieve this commendable objective of doubling the use of collective passenger transport, including by bus, coach and taxi.

## V. PRIORITY MEASURES AND RECOMMENDATIONS

### 1. General policy recommendations

- Recognise, politically, the role and contribution of buses, coaches and taxis, and their related infrastructures, to safe, environmentally-friendly, affordable and efficient mobility and travel at international, national, regional and local level;
- consistently devise and implement a pro-active taxi, bus and coach-friendly legal and administrative framework to ensure a shift in customers’ behaviour towards an increased use of collective passenger transport by road;
- set the objective of doubling the use of collective passenger transport in the EU, including by bus, coach and taxi, in the next 10-15 years, as an overall EU transport policy objective;
- set up a High Level Group of experts to devise an EU multi-annual strategy and action plan to reach the objective of doubling the use of collective passenger transport, including by bus, coach and taxis;
- consider the creation of a European Travel Policy to address the mobility of European citizens and visitors in its short, medium and long distance dimension.

## 2. Fiscal issues and user charges

- Harmonise VAT rates for intra-EU and domestic bus, coach and taxi transport in the EU at zero %<sup>2</sup>;
- Maintain international bus/coach transport on the list of the sectors that could be exempted from VAT;
- End fiscal discrimination between collective passenger transport modes, such as on VAT and excise duties on mineral oil;
- Hold energy taxation constant in real terms;
- Create a “low-tax” professional diesel for professional commercial transport;
- Exempt collective road passenger transport from congestion charging;
- Exempt collective road passenger transport from user charges;
- Include bus and coach terminals in the trans-European Network (TENs) and make them eligible for EU financial support;
- Encourage Member States to allow commuters (individual citizens, companies, associations) to buy public transport tickets from their “before tax” income for all types of commuting (home-workplace, home-school, home-leisure, etc.).

## 3. Social, safety and customer-related issues

### 3.1. Social issues and business-friendly enforcement

- Review the administrative burden of existing road transport social legislation and its enforcement, and propose an action plan on how to reduce it;
- Introduce sector-specific driving and rest time rules for passenger transport by bus and coach to improve efficiency, safety, customer care and driver satisfaction. Always consider the sector’s specificity when devising/amending (social) legislation;
- Maintain the exemption from EU rules for regular services on short routes;
- Harmonise interpretations and inspections at EU level, and improve transparency and availability of (multilingual) information on domestic rules;
- Encourage professional training through incentives, as well as the effective implementation of current training legislation. Intervene to remove all barriers to the mutual recognition of training and qualifications across the EU. Support industry-own initiatives to promote excellence in training;
- Support technological development and promote eco-driving to become the norm and make low carbon technology economically viable;
- Reconcile the EU transport policy’s competitive and social agendas;
- Achieve a well-balanced regulatory framework of social rules, sufficient to protect employees but not so inflexible that they make companies less able to offer jobs and the industry less attractive for drivers;
- Create a common EU enforcement space with uniform legal interpretations and control practices to complement the current EU regulatory framework, in order to boost compliance to social rules and reduce unnecessary administrative and financial costs;
- Establish minimum standards for training EU enforcement officers;

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<sup>2</sup> Until that time, constantly harmonise national VAT enforcement systems and procedures for occasional and regular transport services, including by solving language issues.

- Give priority to fair and non discriminatory risk rating systems in EU Member States to maximise efficiency of controls;
- Create a European (Road-Side) Control Charter, covering the following areas:
  - Duration of controls,
  - Most suitable control locations,
  - Common control checklist,
  - Common conditions for vehicle immobilisation;
- Map the extent to which road transport is covered by horizontal social rules, such as the posting of workers directive, and review whether exemptions or amendments need to be made to these legal acts in order to take into account the specific needs of the sector;
- Require Member States to establish road transport skills agencies. These would be tasked to implement national strategies for the promotion of jobs in road transport and to administer incentives, including financial assistance for the recruitment and training of road transport workers;
- Introduce an adapted EU access to the profession regime<sup>3</sup> for taxi managers and support training of taxi managers and drivers;
- Maintain taxis and drivers, if not covered by Regulation 561/2006/EC, within the scope of the General Working Time Directive.

### **3.2. Safety and technical issues**

- Implement safety measures targeting the main causes of accidents and carry out an accident causation study for buses, coaches and taxis, similar to the ETAC truck accident causation study;
- Harmonise national rules on road worthiness testing and (annual) technical controls of vehicles;
- Modernise relevant EU rules on masses and dimensions (Directive 97/27), including the reference numbers for passengers and luggage, and on maximum authorised weights and dimensions (Directive 96/53), to reflect increasing vehicle empty weight (additional environment, security, comfort features added), and passenger and luggage weight;
- Increase the maximum authorised weight for two-axle coaches in international traffic to at least 19 tonnes (from the current 18 tonnes at EU level);
- Promote equality of treatment for single deck 2 and 3-axle coaches when applying motorway tolls, by aligning them on the taxation applied for 2-axle coaches;
- Give priority to “at source” measures and offer incentives to operators using state-of-the-art EURO-class vehicles and management practices.

### **3.3. Passenger rights**

- Provide a list of bus/coach terminals with the necessary facilities and reasonable level of service and assistance to passengers in accordance with the relevant legislation;
- Provide support for training of drivers and other staff to meet new EU requirements;
- Work with the industry to show that passengers already enjoy comprehensive rights, rather than suggesting that Community legislation has been necessary to achieve a bare minimum;

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<sup>3</sup> Start by carrying out a study on the expected impact of creating such a regime at EU level.

- Support industry and customers' joint initiatives to improve the quality of service to customers.

### **3.4. Customer awareness**

- Support the creation of independent comparator sites, such as the UK's Transport Direct, and create an EU-wide CO<sub>2</sub> reference calculator for all transport modes;
- Integrate buses and coaches in any future EU multimodal journey planner;
- Support industry-own voluntary schemes to improve comfort and quality of service to customers.

## **4. Transport infrastructure, multimodality and interoperability**

- Carry out a study on the shortcomings and barriers related to access of collective passenger transport by road to terminals/infrastructures and terminals/infrastructures of other modes, with policy recommendations;
- Carry out a study on customers' and competition-related impacts/benefits of creating a level playing field between rail and bus and coach transport in medium and long distance intercity markets, with policy recommendations;
- Work out and implement a European (urban and interurban) Bus Rapid Transport concept, support scheme and Action Plan, covering both regular and occasional transport;
- Include bus and coach terminals in the trans-European transport (TENs) network, and devote a dedicated % share of funding to develop an EU network of terminals and medium and long distance bus and coach corridors/lines;
- Establish a high speed bus and coach infrastructure (corridors), without artificially low speed limits or bans from motorway lanes, and open access terminals in strategic locations<sup>4</sup>;
- Increase the number of dedicated bus lines in cities and between cities, and allow visiting tourist coaches and taxis to use them;
- Integrate buses and coaches in any future EU multimodal journey planner;
- Place a duty on city authorities to arrange for the provision of sufficient parking – both during the day and overnight – for tourist coaches;
- Create an EU-wide single window website with information on bus and coach terminals and parking areas in cities and tourist destinations.

## **5. Innovation and the creation of a regulatory framework for innovative transport**

- In cooperation with industry, develop model innovative practices, such as the inclusion of coach study trips in school programmes, and promote and assist the exchange of such best practices at EU level;
- Support the introduction of advanced safety technology even before they become mandatory;
- Support the replacement of fossil fuels with alternatives, where possible;
- Discourage Member States from suppressing coach services where rail services exist.

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<sup>4</sup> Long distance coaches (regular lines and tourist) have an important role as a competitive challenger to railways and airlines. There is ample evidence that where competition is permitted, passengers benefit from lower prices. To stimulate the market further, there should be high speed infrastructure – without artificially low speed limits or bans from motorway lanes – and open access terminals in strategic locations.

## **6. Urban mobility, commuting and access to cities and tourist destinations**

- Guarantee equal market opportunities for all transport modes and for operators of all sizes and all kinds of ownership, via open, fair and transparent mechanisms to enter public service transport markets;
- Establish a permanent EU-wide multi-stakeholder public-private round table to regularly discuss issues related to city traffic restrictions and low emission zones;
- Work out and propose a harmonised EU framework, to be adhered to by cities in the EU, when devising the introduction of low emission zones (LEZs) or other similar restrictions and procedures, also containing provisions and recommendations for consultation with the industry, timely information to local and visiting operators, and a guarantee for operators to use newly acquired vehicles until the end of their economic life. Existing LEZs schemes should be gradually amended to reflect future common EU standards;
- Provide a European single-window registration facility for operators and their vehicles, for the purpose of meeting the requirements of LEZs, traffic restrictions, user taxes, environment certification, parking areas in cities, etc.;
- Carry out a study on the impact of the introduction of clean car technologies on collective passenger transport and the related risk of subsidising clean car technology while ignoring proven collective/public transport technology, resulting in “clean congestion”;
- Encourage Member States to allow commuters (individual citizens, companies, associations) to buy public transport tickets from their “before tax” income for all types of commuting (home-workplace, home-school, home-leisure, etc.);
- Promote and support car recycling schemes, with commitments to use collective transport instead;
- Make a single public authority responsible for highways, spatial planning and development, and collective transport in every significant urban area. Develop tools to determine the right balance of infrastructure, park-and-ride, collective public transport (including taxis) and charges to keep cities moving;
- Work out and implement a European (urban and interurban) Bus Rapid Transport concept, support scheme and Action Plan, to cover regular and occasional transport;
- Include bus and coach terminals in the TENs network and devote a dedicated % share of funding to develop an EU network of terminals, medium and long distance bus and coach corridors/lines.

## **7. Group tourism by coach**

- Recognise group travel/coach tourism as part of the collective/public transport chain and a key contributor to sustainable mobility and tourism in Europe;
- Recommend the use of bus priority lines by long distance and visiting tourist coaches;
- Provide a European single-window registration facility for operators and their vehicles, for the purpose of meeting the requirements of LEZs, traffic restrictions, user taxes, environment certification, parking areas in cities, etc.;
- Prevent the introduction of discriminatory taxes on visiting tourist coaches in European cities and tourist destinations;
- Establish a regular public-private dialogue with the organised tourism and travel industry to promote group tourism by coach.

**8. Taxi-specific issues and recognition of taxis as part of the collective/public transport chain**

- Recognise taxis as a necessary part of the collective/public transport chain;
- Recommend the use of bus priority lines in cities by taxis;
- Carry out a study on the impact of access to profession regime for taxis in EU Member States. As a second step, propose an EU regulation on an adapted access to the profession regime for taxis in Europe;
- Encourage Member States to apply the low rate of VAT to taxis, including when taxis form part of an integrated taxi, buses, trams and metro tickets;
- Maintain taxis within the scope of the General Working Time Directive.

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