



Adina Vălean  
Commissioner for Transport  
European Commission  
Rue de la Loi 200 / Wetstraat 200  
1040 Brussels  
Belgium

By email

BR1059553/SMR

Brussels, 25 August 2023

**Re: Call for a Multimodal Digital Mobility Services (MDMS) framework that empowers road transport operators and enhances passenger benefits**

Dear Commissioner Vălean,

The International Road Transport Union (IRU) welcomes the European Commission's initiative to establish an affordable and sustainable multimodal passenger transport system, in line with the EU's goals. In this context, we especially appreciate the Commission's declared aim to protect small and medium-sized operators (SMEs) from large platforms.

With many road transport operators being SMEs often operating five to ten coaches, there is a concern that large internet players may distort the market through practices such as inflated fees, self-preference, and biased listing of travel options. We are equally concerned that, in the MDMS context, obligations set on small transport operators that lack market power may condemn them to becoming just subcontractors and weaken their business and, ultimately, drive them out of the market.

We call for your support in promoting a MDMS that empowers road transport operators and enhances passenger benefits. Our sector is ready to fully support a system built on the following pillars:

**1. Promote an overarching relinking system to connect MDMS platforms and transport operators**

*IRU's understanding of relinking:* We understand that the relinking system entails metasearch platforms displaying various travel options. A fundamental characteristic of the system is that the intermediary platform does not actually perform the ticket sale but merely orients customers to the respective transport operator's website for the actual booking process, based on transparent and objective criteria.

*Obligation on MDMS platforms:* All MDMS platforms should be obliged to enter into commercial arrangements with transport operators based on fair, reasonable and non-discriminatory (FRAND) principles if a transport operator initiates the request for relinking. The MDMS platforms should bear the cost of standard integration (such as the cost related to making data formats compatible and providing standard interfaces).

*Obligation on large transport operators with market power:* Information provided by such operators may be indispensable to the presentation of a significant list of options by the MDMS. For this reason, they could be obliged to enter into commercial agreements with MDMS platforms requesting relinking based on the FRAND principles. Market power should be established on a route-by-route basis, including competition with other modes. The scope of the legal obligation should be limited to the provision of *static* data which are absolutely necessary for the platform to display travel options to passengers, such as ticket prices, timetables, the type of vehicle, including comprehensive safety and comfort attributes, and the type of energy used to propel the vehicle.

*Status of transport operators without market power:* Information provided by such operators is not indispensable to the presentation of a significant list of options by the MDMS. From the perspective of transport operators, the choice of promotion channels is part of the core commercial strategy. For private transport operators that bear

their commercial risks alone, including the ultimate risk of bankruptcy, legislators' intervention should not go so far as to interfere with their freedom to conduct business where it is not proportionate to the establishment of an MDMS system. Hence, there should be no obligation for transport operators to collaborate with an MDMS platform. They should remain free to collaborate, if they so wish, with one or multiple MDMS systems.

## **2. Promote options for passengers where MDMS with market power resell tickets**

*IRU's understanding of reselling and the issue at stake:* We understand that the reselling system entails the purchase of the ticket by the MDMS platform, followed by a resale to the final customer. These systems, already in place, are typically based on commercial agreements between the parties. When MDMS platforms have market power, the risk is that they may exclude or impose unequitable conditions on small transport operators which do not constitute their core offer.

*Obligation on MDMS platforms with market power:* All MDMS platforms with market power that do reselling should be obliged to enter into commercial reselling arrangements with transport operators based on fair, reasonable and non-discriminatory (FRAND) principles if a transport operator initiates the request.

*Status of transport operators in reselling context:* Irrespective of their size, transport companies should be free to choose their sales channels. This is a very vital strategic function for any company, with direct consequences on its revenue. Regardless of their size, transport operators should not be forced to embrace specific sales channels, such as MDMS platforms.

## **3. Set specific obligations on MDMS platforms regarding the listing of transport options**

*Ranking based on objective and transparent criteria*

In cases of relinking performed by any MDMS platform, as in the case of reselling performed by a MDMS platform with market power, the MDMS platform should be legally bound to a fair ranking of transport options as a basis, optimised by filtering on objective and transparent criteria such as proximity, price, time and sustainability. Regarding the sustainability criterion, MDMS ranking can be a useful tool to promote clean transport. It is therefore vital to use an objective methodology to determine the environmental friendliness based on a well-to-wheel approach. To this end, the carbon footprinting method recently proposed by the European Commission can be instrumental.

*Prohibition of paid ranking*

In the cases above, the MDMS platform should be expressly prohibited from charging fees for priority ranking. Frequency algorithms, commonly used on platforms, should also be prohibited.

*Prohibition of preferential self-promotion*

Transport operators that also act as MDMS platforms should be prohibited from displaying preferential ranking in order to promote their own options in the situations indicated above.

We count on your support to ensure that passengers, transport operators and platforms reap the benefits of the MDMS proposal.

Your sincerely,



Raluca Marian

Director EU Advocacy and  
General Delegate of IRU to the  
EU