

Developing Innovative Mobility Solutions in the Brussels-Capital Region

Summary



This brochure provides a summary of the recommendations for regulatory and data governance frameworks to support the development of Mobility as a Service (MaaS) in the Brussels-Capital Region. These highlight the need to enable the development of a competitive and innovative MaaS ecosystem, with both public and private actors, in order to maximise the likelihood that sustainable MaaS business models will be developed. The work identifies the necessary scope of a new legal framework for MaaS and recommends how the existing regulation of mobility operators should be modified in order to integrate effectively with the MaaS framework. Finally, the work also addresses key data governance requirements, including data protection, transfer and reporting needed to support the development of MaaS.

SCOPE OF THE STUDY

The Brussels-Capital Region (BCR) adopted its latest regional mobility plan, *Good Move*, in 2020. The objectives of *Good Move* are to improve the environment and the quality of life of the people of Brussels while supporting the BCR's economic development. The focus is on addressing congestion, pollution, transport efficiency and road safety in Brussels. *Good Move* incorporates 50 concrete actions. Four of these relate to integrated, shared mobility and Mobility as a Service (MaaS). The BCR government believes that successful development of MaaS will support a shift to more sustainable modes of transport than private cars. In the longer term, the BCR anticipates that a thriving MaaS ecosystem will foster further innovation in sustainable travel.

In view of the above and in the process of reviewing the regulatory environment for MaaS, the BCR requested support from the European Union's Structural Reform Support Programme and developed a project with the International Transport Forum (ITF) to inform the development of a sustainable regulatory framework for MaaS. Project outputs will inform the design of the regulatory and data management frameworks for MaaS in the BCR.

This report summarises the findings of the project. It describes a healthy MaaS ecosystem and how the BCR

can facilitate its emergence through a MaaS-specific ordinance as well as by adapting existing regulatory frameworks relating to mobility markets and services. The recommendations proposed in this report seek to support the development of a competitive and innovative MaaS market that includes both private and public sector actors and support the BCR government in achieving the objectives of its regional mobility plan.

Mobility as a Service could support a shift to more sustainable modes of transport than

The report draws on a broad range of evidence: international experiences in developing regulatory and data governance frameworks, a desk review of the BCR's current mobility landscape, and consultations with stakeholders. The latter included targeted interviews, workshops and an online survey. The report also builds on ITF's work on micromobility, app-based mobility, data-led transport policy, reducing car dependency and MaaS.

RESEARCH FINDINGS

Mobility operators are organisations that provide a physical mobility service, for instance, public transport or shared bicycles. MaaS providers are organisations that aggregate different mobility operators' services into a single offer

through an application (MaaS app) for users' mobile digital devices. Mobility operators may also be MaaS providers.

The BCR government aims to create an innovative MaaS market for the Brussels region that contains both private and public sector mobility operators and MaaS providers. It expects MaaS to make a significant contribution to improving accessibility and to expanding sustainable transport options in the region. It wishes to ensure that MaaS develops in a way that supports the objectives of the Good Move plan while enabling the development of viable business models for mobility operators and MaaS providers. To facilitate this, this report recommends a pro-competitive approach to regulating the market that is in line with EU policies and OECD recommendations.

The BCR government wishes to see a well-developed MaaS ecosystem that is consistent with the "STOP" principle, i.e. the policy of prioritising active and public transport over individual car-based mobility. Recognised by Belgium's three regions, the "STOP" principle sets the desired hierarchy of transport modes: "Stappers" (pedestrians), "Trappers" (cyclists), "Openbaar vervoer" (public transport and shared-transport users) "Privé vervoer" (public car users).

The BCR is in the process of preparing an ordinance to regulate the MaaS system. It is clear from stakeholder engagement on this and other projects, that the existence of viable business models (i.e. consumer offers and pricing structures that yield positive net revenues) that would support a large-scale MaaS ecosystem have yet to be demonstrated. Overly restrictive or inflexible regulation of such a new and evolving market would risk undermining the ability of market actors to find sustainable business models. At the same time, the BCR needs to be able to respond should the MaaS market develop in ways that detract from the achievement of sustainable mobility.

Many stakeholders see clarity on data governance as an urgent requirement to support the uptake of MaaS. The MaaS ordinance is thus needed to implement a data governance framework in support of MaaS and to license the new MaaS provider business activity. The ordinance will not need to be an all-encompassing regulation for urban mobility services but can complement existing mode-specific and other market regulations. These already cover many aspects of sustainable mobility policy, for instance, vehicle standards. The simplest approach

may be to revise existing mobility operator licensing requirements to incorporate MaaS data governance elements and to regulate MaaS providers through the new ordinance. Licensing of operators should be reviewed to ensure there are no provisions that indirectly inhibit MaaS.

The public authorities should support the development of a competitive, open-entry MaaS ecosystem. There is a risk that dominant public or private actors could emerge and exercise substantial market power. Proactive oversight by competition authorities and engagement between the BCR authorities responsible for regulating MaaS and the competition authorities will help to ensure this is avoided.

Public transport should form the backbone of a MaaS ecosystem if its contribution to the sustainable mobility objectives of the Good Move plan is to be maximised. A significant point of contention among stakeholders is the resale of public transport tickets. Concerns exist that a MaaS model with public transport at its core would struggle if MaaS providers cannot earn a margin on the resale of public transport tickets. Others worry that such resale of public transport tickets could reduce net revenues for public transport operators.

Public transport operators should be free to negotiate the terms of their engagement with the MaaS providers looking to resell public transport tickets. This could potentially include selling access to public transport to MaaS providers on terms differing from existing ticketing structures and providing discounts on bulk sales. Enabling this will require revision of

existing instruments, such as the management contract in place between BCR and STIB-MIVB, rather than being addressed directly through the MaaS ordinance.

Some stakeholders have strong concerns that this approach would result in subsidies to public transport, effectively contributing to private profits. However, the resale of public transport services by MaaS providers is best understood as the MaaS provider acting as an agent for the public transport operator, with the potential to increase ridership and thus contribute to the government's modal shift objectives.

In the medium term, establishing a large-scale MaaS ecosystem could create significant opportunities to reform how mobility subsidies are provided and a move from the

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current supply-side approach towards a user-based approach. The latter could be an incentive payment per passenger or a person-centred payment model, for example. Such a change could significantly improve the equity and efficiency of mobility subsidies and help to achieve guaranteed minimum levels of accessibility in a cost-effective way. Creating the conditions for such a shift will take time, but policy-makers should weigh this possibility as a significant potential long-term benefit of the successful establishment of MaaS on a large scale.

Brussel's public transport operator STIB-MIVB is currently running a MaaS trial and will likely be the first mover in the development of the MaaS ecosystem in Brussels. The market may then potentially develop more quickly than would otherwise be the case. It is also likely to reinforce the dominant role of the STIB-MIVB as a mobility operator. Safeguards should be incorporated into the MaaS ordinance to foster competition and prevent exploitation of market power in the MaaS provider market. These will initially concern STIB-MIVB but will apply equally to private MaaS providers should these acquire market power through growth, mergers or acquisitions.

RECOMMENDATIONS FOR A HEALTHY MOBILITY-AS-A-SERVICE OFFER

The following eleven recommendations are grouped into three areas of action necessary to achieve specific outcomes: First, to enable the creation of a MaaS ecosystem with both public and private actors; second, to facilitate an efficient and equitable market for MaaS; and third, to manage the overall mobility outcomes to which MaaS should contribute.

Enable the creation of a MaaS ecosystem



Regulate mobility operators and MaaS providers separately

Operators of mobility services are already regulated and are expected to continue to offer their services directly as well as engaging with MaaS providers. Specific regulations already exist to cover the licensing and operation of mobility services. These include mode-specific elements covering operations and environmental

aspects, the use of public space, and the regulation of public transport. Mode-specific regulation will continue to be necessary. However, it will need to be extended to cover data sharing amongst market actors and reporting of data to public authorities. MaaS providers can function without operating transport services themselves and are therefore not necessarily subject to mode-specific regulation. MaaS providers should be regulated separately, rather than trying to combine the licensing of mobility operators and MaaS providers in a single MaaS regulation.



Adopt an explicitly pro-competitive approach to MaaS in policy and legislation

The commercial viability of MaaS in any context remains unclear, as does the nature of the MaaS service users want to see. The potential for a MaaS model to develop that meets user needs and is economically sustainable will be maximised by competition and innovation in the market. The BCR government should ensure regulation and policy are broadly pro-competitive, in keeping with EU competition law and OECD competition policy principles. In particular, it should explicitly state in its MaaS policy and legislation that the provision of MaaS services is an open-entry market.



Clearly establish the status of MaaS providers via a licensing scheme

MaaS providers represent a new entity in the transport market. In their role, they will have access to substantial amounts of consumer data, including payment data. MaaS providers, therefore, must be monitored to ensure they comply with all regulated data security, sharing and reporting requirements. A licensing scheme for MaaS providers that includes a regime for effective and timely sanctions, when needed, is recommended to ensure compliance and facilitate market entry. The BCR government should adopt a legal definition of a MaaS provider, which includes its status regarding the processing of personal data, and establish a specific MaaS provider licence. At this early stage in the development of the regulatory framework, only minimal conditions – essentially requiring compliance with data regulations – should be incorporated in the licence. Additional licensing requirements might be added in future should any substantial negative outcomes for consumers make it necessary.



Review conditions for mobility operator licences to ensure they do not include barriers to developing MaaS

An attractive MaaS offer depends fundamentally on the existence of a wide range of mobility services. Regulations for mobility operators in all transport modes should be reviewed to ensure that they do not impose undue constraints on the activities of those mobility operators, which could, in turn, inhibit the development of MaaS. In particular, limits on the number of licences issued and rigid caps on fleet numbers for new mobility services should be avoided. Where regulation is required, outcome-based regulations linked to specific performance criteria are preferable.



Add mandatory minimum data-sharing requirements relating to informational and operational data to licences for mobility operators

No MaaS ecosystem can exist without data sharing and data access between mobility operators and MaaS providers. Data-sharing responsibilities for mobility operators and data access rights granted to MaaS providers will allow the latter to create new cross-modal mobility offers tailored to the needs of individuals. These could provide greater efficiency in the use of transport assets and create the space for innovative services and secondary markets based on this data. Responsibilities and rights relating to data should be added as standard conditions to existing mobility operator licences.

Facilitating an efficient and equitable market



Build mandatory consumer data portability, subject to user consent, into the conditions of all Mobility operator and MaaS provider licences

Data on individuals' on-trip behaviour should be shared among the operators that provide part of an end-to-end trip to enable the development of personalised travel services. Such enhanced data portability may be seen as a burden by some operators, but a common data resource for all actors in the market enables innovation and value creation. However, data portability must be subject to user consent, in line with the European Union's General Data Protection Regulation (GDPR), which governs the

processing and movement of personal data and standard data-management principles.



Adopt competition safeguards as part of the MaaS provider licensing framework

Avoiding distortion of competition in the market is particularly important in light of the uncertain economic viability of MaaS. Licensees should be required to treat their own and external mobility services equally. Cross-subsidising MaaS provider activities via funds from mobility service activities should be prohibited, as this could provide an unfair competitive advantage. The MaaS provider activities of any licensees, whether public or private, which are also mobility operators, should be undertaken separately from transport operations. This is especially important in the cases of MaaS providers that are also mobility operators of sufficient scale to exercise market power. This separation is important to ensure that competitive neutrality principles are respected.



Ensure public transport operators have the freedom to negotiate the terms of public transport ticket resale with MaaS providers who, in turn, should be free to determine the pricing of services to consumers

Public transport operators and MaaS providers should be free to negotiate the terms for the provision of public transport services that will be sold through MaaS platforms. This is consistent with a generally pro-competitive approach to developing MaaS. It may require revision of existing instruments, such as the management contract between BCR and STIB-MIVB, rather than being addressed directly through the MaaS ordinance. MaaS providers should also be given the freedom to develop offers they believe will attract consumers. Where negative effects for sustainable transport outcomes occur, these should be addressed through broader mobility policies rather than MaaS regulation.



Apply OECD and EU best practice principles on regulatory policy and governance to inform approaches to regulating MaaS

The objectives underlying regulation must be clearly specified. A full range of regulatory and non-regulatory options for achieving the objectives should be identified and their impacts assessed and compared systematically via a proportionate process

of impact assessment that uses consistent methodologies. Regulatory development should be conducted through open, consultative processes as has been followed by the BCR to date. These processes should be part of a broader consultative effort aimed at generating and implementing a MaaS model that is broadly endorsed by all stakeholders.



Make data reporting requirements to public authorities specific and directly related to regulatory tasks

Data reported by mobility operators and MaaS providers allows public authorities to monitor and enforce compliance with rules aimed to ensure desired public policy outcomes. These can be rules relating to competitive markets, safety, regulated uses of public space, and other public policy objectives. This data is also essential for planning purposes and can help to identify and rectify regulatory weaknesses. This can enable authorities to improve efficiency, equity and sustainability and, ultimately, contribute to improving the welfare of the citizens of the Brussels-Capital Region. However, reporting requirements for this purpose should be specific and limited to the regulatory tasks to avoid overburdening MaaS stakeholders.

Managing mobility outcomes



The Good Move policy package should remain the key vehicle for implementing sustainable urban mobility policies

Policy actions to improve the sustainability performance of the evolving MaaS ecosystem should be pursued through measures included in the broader Good Move package rather than regulations targeting only actors in the MaaS ecosystem. These include direct measures to control congestion, reduce emissions and improve safety across the transport system. Adopting such a broader policy approach will be more effective for achieving mobility objectives. It will also avoid the risk of MaaS-specific regulation undermining the economic viability of the developing MaaS market.

This brochure summarises the findings of the report *Developing Innovative Mobility Solutions in the Brussels-Capital Region* published by the International Transport Forum in October 2021. The report is available for free download at www.itf-oecd.org. The work for the report was funded by the European Union via the Structural Reform Support Programme and in cooperation with the European Commission.



Who we are

The International Transport Forum at the OECD is an intergovernmental organisation with 63 member countries. It acts as a think tank for transport policy and organises the Annual Summit of transport ministers. ITF is the only global body that covers all transport modes. The ITF is administratively integrated with the OECD, yet politically autonomous.

What we do

The ITF works for transport policies that improve peoples' lives. Our mission is to foster a deeper understanding of the role of transport in economic growth, environmental sustainability and social inclusion and to raise the public profile of transport policy.

How we do it

The ITF organises global dialogue for better transport. We act as a platform for discussion and pre-negotiation of policy issues across all transport modes. We analyse trends, share knowledge and promote exchange among transport decision-makers and civil society. The ITF's Annual Summit is the world's largest gathering of transport ministers and the leading global platform for dialogue on transport policy.

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