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## **2<sup>nd</sup> Florence Intermodal Forum**

# **High speed rail vs. low-cost air: competing or complementary modes?**

organised by

**Chair of Management of Network Industries, École Polytechnique Fédérale de Lausanne (EPFL)  
Florence School of Regulation Transport Area, European University Institute**

Villa La Fonte  
Via delle Fontanelle 10 – San Domenico di Fiesole

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### **■ OVERVIEW**

Rail and air passenger transportation provide both competitive and complementary services.

In Europe, there are many medium distance corridors where rail and air services compete. One outstanding example is the Rome-Milan route, where high-speed trains have been shifting passengers' habits from traditional air carriers to high speed rail. However, this situation seems to be changing again because of new low cost air carriers offering even lower rates. Going beyond this example and tackling the question in a wider European perspective, we ask ourselves whether high-speed rail can continue to expand, if low-cost airlines are again taking over as the alternative also on short routes? And how should such competition be seen in the perspective of an integrated intermodal transport policy?

There are problems in developing the networks of the two modes so as to maximize the efficiencies resulting from the stimulus of competition in some contexts and from the synergies of coordinated provision in others. These challenges involve not only the integration of the services that are provided, but also the nature and level of both the link (point-to-point) and hub (hub-and-spoke) infrastructures. Instances of this have grown with, on the one hand, the development of the high-speed rail networks and, on the other hand, the emergence of low cost airlines: the question is whether high-speed rail is subsidised in an unfair manner? And how do the subsidies in the air transport sector influence the development of the market?

Furthermore, the institutional structures under which public and private stakeholders operate also need to adapt to this new intermodal context. Subsequently, proposals for an integrated mobility regulation and for a Single European Transport Area have emerged, even though several factors still undermine their implementation. With regards to this, how far does the current regulatory framework respect actual needs of regulating intermodal competition? What are the reasons that have so far prevented successful integrated mobility?

On the other hand, good integration between air and rail is possible, and complementary services for connecting passengers in their respective transport terminals can coexist. For instance, thanks to the high-speed network, flying to both Paris Charles de Gaulle and Amsterdam Schiphol is becoming a valuable option. This is also true for passengers who want to reach Brussels, thanks to the high speed train station integrated within these airports. Also, the train station located within Frankfurt Airport allows travellers to take both regional and high speed trains from Köln, Bonn or Stuttgart to go straight to the airport. What lessons can be learnt from these positive examples? Is it possible to export them or do they rather reflect some local specificities?

The purpose of this 2<sup>nd</sup> Florence Intermodal Forum is to combine two different sectors which both offer their services on the same mobility market. Indeed, the Forum aims at a balanced discussion between representatives of both the (high-speed) rail and the (low-cost) air sector, involving “cross cutting” stakeholders such as passengers’ associations. Regulators, operators, Ministries, the European Commission, associations and academics are invited to discuss the expected challenges stemming from the coexistence of high-speed trains and low-cost carriers in the same passenger transport market. The discussions will focus on the following guiding questions:

- Can high-speed rail continue to expand, if low-cost airlines are taking over as the alternative also on short routes?
- How much do the subsidies (to both rail and air sector) influence the current market structure and the competition between the two modes?
- Given that high speed and low cost participate in the same economic discourse and the so far failed attempt of developing integrated mobility regulation, is there room for effective intermodal regulation?
- How can high-speed and low cost be complementary? Do they serve different needs? Can they coordinate and consistently develop as two parts of the “whole journey”?

## ■ PROGRAMME

08.30-09.15 Introduction to the forum  
**Matthias Finger** | FSR-Transport/EUI and EPFL  
**Elisabetta Righini** | Cabinet of Vice-President Almunia  
**Emmanuelle Maire** | European Commission, DG MOVE E4

### **A** *Can high-speed rail continue to expand, if low-cost airlines are taking over as the alternative also on short routes?*

09.15-10.45 **Stephen Perkins** | International Transport Forum/OECD, Research Unit  
**Jörg Schwingeler** | Air Berlin, Alliance Development Area  
**Ichiro Takahashi** | East Japan Railway Company, Brussels Branch  
**Sandro Löw** | Thalys International, Legal & European Affairs Department  
Round table discussion

10.45-11.15 COFFEE BREAK

### **B** *How much did the subsidies (to both rail and air sector) influence the current market structure and the competition between the two modes?*

11.15-12.30 **John Hanlon** | European Low Fares Airline Association (ELFAA), General Secretariat  
**Alberto Mazzola** | Ferrovie dello Stato Italiane (FSI), International Affairs Department  
**Eva Valeri** | University of Trieste  
Round table discussion

12.30-13.30 LUNCH BREAK

### **C** *Given that high speed and low cost enter the same economic discourse and the so far failed attempt of developing integrated mobility regulation, is there room for effective intermodal legislation?*

13.30-15.00 **Emmanuelle Maire**  
**Ricardo Génova Galván** | Aviation Consultancy  
**Ignacio Barrón de Angoití** | International Union of Railways (UIC), Passengers and High Speed Department  
**Marcin Wołek** | University of Gdansk  
Round table discussion

15.00-15.30 COFFEE BREAK

### **D** *How can high-speed and low cost be complementary? Do they serve different needs? Can they coordinate and consistently develop as two parts of the "whole journey"?*

15.30-17.00 **Trevor Garrod** | European Passengers' Federation, Chairman  
**Chrystelle Damar** | Airport Council International (Aci-Europe), Environmental Strategy & Intermodality Unit  
**Andrea Giuricin** | Nuovo Trasporto Viaggiatori (NTV), Research Department  
**Bertil Hylén** | FSR-Transport  
Round table discussion and closing remarks