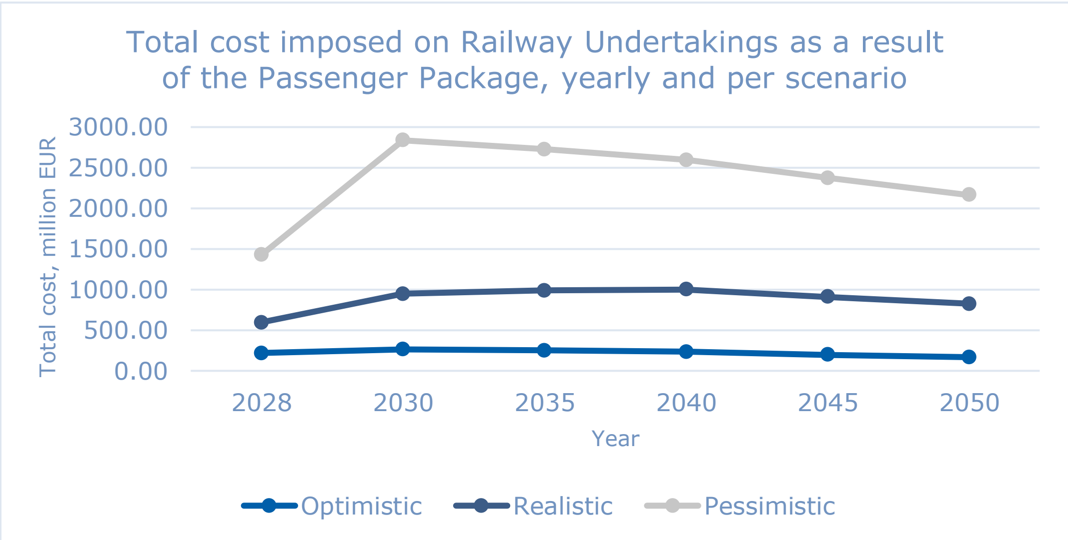
CER Economic Assessment of the Passenger Package

Executive Summary

CER has carried out an economic assessment of the European Commission's analysis[1] *of the Passenger Package. The assessment finds that, in line with concerns raised by the Commission's own Regulatory Scrutiny Board, the Impact Assessment relies on limited evidence and overly optimistic assumptions. CER estimates that, in a worst-case scenario, the Passenger Package could impose* ***up to €57 billion in additional costs on railway undertakings*** *between 2028 and 2050, mainly through commission fees paid to third-party platforms and higher passenger compensation and rerouting costs. A part of these costs is likely to be passed on to passengers through higher ticket prices. The main conclusions of the economic assessment are as follows:*

- **Limited market failure:** The IA does not demonstrate a clear welfare-reducing market failure in rail ticketing. It largely describes consumer inconvenience, while overlooking the rapid progress already delivered by sector-led initiatives such as the progress made on the **CER Ticketing Roadmap,** the wide-spread use of the Open Sales Distribution Model[2], as well as the **Agreement on Journey Continuation**[3]. Furthermore, the IA provides limited evidence that ticketing friction materially affects the modal choice of consumers.



[1] *Impact Assessment (SWD 2026 300 final) and Staff Working Document (SWD 2026 233 final).*
[2] *Our largest CER members are adding over 8000 destinations Europe-wide to their offer.*
[3] *The Agreement on Journey Continuation currently has 23 railway undertaking members, representing appr. 90% of European rail passengers in 2023, hence demonstrating a broad market coverage.*

- **Proposal on Rail Ticketing:** The Rail Ticketing proposal would shift more sales towards commission-based third-party platforms, increasing distribution costs for RUs and transferring value away from European railway operators. As more tickets flow through platforms such as Trainline and Omio, RUs would face additional distribution fees, typically **3–10% per ticket**. Depending on platform commission rates and market share assumptions, this could shift **€2.9 billion–€37.9 billion** away from European railway operators and towards third-party platforms that have significantly higher operating margins compared to rail companies (to illustrate, Trainline had a 27% operating margin in FY 2025, while Deutsche Bahn 1.1%, SNCF 4.1% and FS 2.0%).
- **Proposal on Passenger Rights:** The Passenger Rights proposal would impose significantly higher costs on railway undertakings than estimated by the Commission. Adjusting only four assumptions—the number of affected passengers, rerouting costs, claim rates and average ticket prices—raises total RU costs from the Commission's €2.1 billion estimate to €9.6 billion in the realistic scenario and **€19.2 billion** in the pessimistic scenario for 2028–2050. These costs would outweigh the Commission's estimated passenger benefits of €7.8 billion and, given inelastic supply and constrained margins, could lead to **ticket price increases of up to 4.4%** for multi-leg journeys involving multiple operators.
- **Limited network effects and modal shift:** The Impact Assessment overstates both the likely modal-shift effects and the competitive benefits of the Package. Rail capacity remains constrained, and passengers generally give greater weight[4] to price and travel time than to ticketing convenience when deciding whether to travel by rail. As a result, any ticket price increases triggered by the Package would offset the potential demand gains from more seamless ticketing and could ultimately undermine, rather than support, the Commission's modal-shift objectives. Similarly, the network effects anticipated by the Impact Assessment are more likely to strengthen third-party ticketing platforms and facilitate the emergence of a small number of dominant intermediaries than to enhance competition.

Overall conclusion: Under more realistic assumptions regarding third-party platform market share, commission fees and rerouting costs, the Passenger Package could increase railway undertakings' operating costs by up to **€57 billion**, with a significant share likely to be passed on to consumers through **higher ticket prices**. As ticket prices play a greater role in modal choice than ticketing friction, these additional costs are likely to outweigh any demand gains from more user-friendly ticketing and could ultimately undermine the Commission's modal-shift objectives of a shift towards more sustainable transport modes.

[4] *When asked about the most important factors to consider when planning a regional or long-distance journey, 61% of passengers cite the cost and 47% the total travel duration, while only 16% mention the ease of booking tickets and 8% passenger rights. Source: Q3, Flash Eurobarometer 551 – Multimodal Digital Mobility Service, 2024*

About CER

The Community of European Railway and Infrastructure Companies (CER) brings together railway undertakings, their national associations as well as infrastructure managers and vehicle leasing companies. The diverse and comprehensive membership made up of long-established bodies, new entrants and both private and public enterprises, covers the large majority of the rail infrastructure network, rail freight business and rail passenger operations in EU, EFTA and EU accession countries. CER represents the interests of its members towards EU policy makers and transport stakeholders, advocating rail as the backbone of a resilient, competitive, and sustainable transport system in Europe. For more information, visit www.cer.be or follow us on social media.