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Rail & road French regulatory body publishes its first annual report on bus transport and bus terminals

By liberalising intercity bus transport, the “Macron Act” charged Arafer, the French rail and road regulatory body, with overseeing this new market. The different quarterly assessments published by the Arafer are now supplemented by the first annual report on bus services and bus terminals covering the period from 8 August 2015, the starting date of the market liberalisation, to 30 June 2016.

LIBERALISED SERVICES AND SUPPORTED SERVICES

This first annual report presents an overall analysis of the bus transport market: both liberalised services and supported bus regional services, as well as an initial multimodal analysis with rail transport services.

The document details the strong development of the new market for the so-called “Macron buses”, with 3.4 million passengers transported in less than a year on a network linking nearly 200 French cities with more than 1 000 routes, nearly 50% of which with no direct land-based transportation alternatives. The sector generated 40 million EUR turnover and created approximately 1 350 jobs over that period.

Arafer has not yet received all data from the companies providing bus supported services, but it already lists 22 000 regional bus routes serving 3 200 municipalities (excluding departmental buses).

The two networks – “Macron bus” and supported bus services – are, therefore, very different in size and have quite contrasting characteristics: for example, the average length of supported bus routes is 28 km compared to 238 km for Macron buses. Another example is that 93% of the supported routes are sub-regional (up to the perimeter of the French new regions) compared with 26% of the liberalised routes.

The results of the comparative analysis between the two types of services are also noteworthy: only about forty routes are serviced by supported buses and Macron buses, representing 3.7% of liberalised services and 0.2% of the supported services. On these routes, about 190 000 passengers have used a Macron bus since the liberalisation of the market

COMPARISON WITH EXISTING RAILWAY SERVICES

Of the 45 000 rail routes served by TER train (regional supported train services), 160 are also served by a Macron bus which is less than 0.5% of TER services and 14.8% of liberalised services. Nearly 560 000 passengers travelled on these bus routes.

As a result, few supported services duplicate services agreed at regional level.

On the other hand, over the same period, almost 86% of the people who used a bus made medium or long distance connections also served by TGV (2 million passengers on 223 routes) or intercities trains (1.6 million on 174 routes).

Arafer does not yet have the data to carry out a deeper multimodal analysis, but its ambition is to present an analysis of competition between these different modes of transport in 2017.

BUS ROUTES OF LESS THAN 100 KM

The report also outlines the assessment of Arafer's actions and decisions concerning the regulation of routes under 100 km in length.

As of 30 June 2016, 171 declarations of routes of less than 100 km had been registered (slightly more than 200 as of 7 November), of which about 70% were likely to compete with a supported transport service. The number and location of the routes declared show very different strategies between the operators, some of whom have declared no routes, others specialise in geographical areas or aim for more complete coverage of the country.

The services declared on routes of less than 100 km differ from those of the supported services: a much lower weekly frequency (ratio of 1 to 16), almost 42 times fewer seats offered for routes are subject to requests for prohibition or limitation by the regulator, with significantly longer travel time (approximately 19 minutes on average for a journey time of 1 hr 16 min).

As of 30 June 2016, of the 61 requests for prohibition or limitation of bus routes put forward by transport authorities (AOT), Arafer had issued 21 decisions in favour and 40 decisions against (as of 7 November, it was 21 in favour and 66 against).

We note that of the 21 decisions in favour, 15 relate to the specific case of serving the Beauvais-Tillé airport from Paris or its suburbs.

Seven decisions have been appealed at the French Council of State. Arafer is awaiting the first decisions early next year.

It should also be pointed out that as of 30 June 2016, of the 67 supported routes of less than 100 km only 9 were being provided for fewer than 1,500 passengers.

BUS TERMINALS

The last part of the annual report deals with passenger bus terminals.

Many stops used by Macron buses are located in towns that do not have bus stations. The absence of these facilities does not, therefore, appear to slow down growth in demand and growth in the market.

On the other hand, even when territories have stopping points, bus operators do not necessarily use them. That a bus terminal already exists does not mean it meets the needs of carriers.

Over the upcoming months, Arafer will focus on specifying the regulatory framework for bus terminals, in particular, for pricing systems and allocation of stands for embarking and disembarking passengers.

- [Read the annual report](#) (in French)

About Arafer

French rail industry established an independent body in 2010 to monitor the progressive opening up to competition of the market: Autorité de régulation des activités ferroviaires (Araf, French rail regulatory body), chaired by Bernard Roman.

The “Macron” Act of 6 August 2015 has widened the regulator's scope of action to coach transport and motorway concessions. Mid-october 2015, Araf has become Arafer (French rail and road regulatory body).

Its mission is to ensure the effective operation of public services and competitive activities on rail and road markets. Its opinions and decisions, published on its website, are endorsed by a Board of seven independent members, appointed for their skills in rail and road transport, economy or legal matters or for their expertise regarding competition.