

IARO report 4.01
Air rail links - improving the partnership
Report of the seminar held at Zürich airport
on 23rd February 2001

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*Our mission is to spread world class best practice and good practical ideas
among airport rail links world-wide.*

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Acronyms and abbreviations

AEA	Association of European Airlines
ATA	(American) Air Transport Association
ATAG	Air Transport Action Group
BA	British Airways
BAA	Privatised owner of Heathrow Express, 7 major UK airports and a number of others: formerly the British Airports Authority.
EU	European Union
GDS	Global Distribution System
Hbf	Hauptbahnhof - main station
IARO	International Air Rail Organisation
IATA	International Air Transport Authority
IT	Information Technology
KLM	Koninklijke Luchtvaartmaatschappij - Royal (Dutch) Airlines
NS	Nederlandse Spoorwegen - Netherlands Railways
S-Bahn	Suburban railway (Germany/Switzerland/Austria)
SBB	Schweizerische Bundesbahnen - Swiss Federal Railways
SFr	Swiss Francs
SNCF	Société Nationale des Chemins de Fer Français - French National Railways
TGV	Train à Grande Vitesse - French high speed train
TGV'Air	System of rail-air ticketing available through Paris Charles de Gaulle airport
UIC	Union International des Chemins de Fer - International railway union
UK	United Kingdom
US	United States of America

Air rail links - improving the partnership.

A seminar arranged by the International Air Rail Organisation at Zürich Airport, February 23, 2001

Welcome and introductions from Paul Le Blond, Chairman of IARO and Director, Strategy, BAA Rail, London

Paul Le Blond welcomed delegates and introduced some of the key people in the room - Andrew Sharp, Director General and Robert Miller, Treasurer of IARO.

He said that the objective of the day was to improve the overall passenger journey, the overall passenger experience.

Much of the journey was in the control of airlines but key sectors - including the journey to the airport, with its potential for high stress levels - was not.

Similarly employees needed good quality low stress access to their workplaces. They needed this to be available for all of the shift start and end times they might experience.

The aviation industry was one where there was continuing growth - but this was a challenge and undoubtedly had a price.

Paul then moved to a discussion of the different types of airport rail connection (high speed network, high speed dedicated, regional, suburban/metro and bus link) and their benefits and disbenefits.

Discussion

Dr. Paul Ellis (British Airways) said that there had been much concentration on hardware, but software was very important too. Ticketing, information and onward travel arrangements were all important software-related components of the overall journey. He emphasised the point that all of the partners in the transportation chain needed to work together.

Paul Le Blond agreed, and drew attention to the workshop being held on 3rd and 4th May in Madrid which would focus on IT and the human side of airport railways (recruitment, selection, training and retention of customer focused staff).

Maximilian Schmid (Swissair) said that improvements cost money - who should pay? Especially for long-term investments?

Andrew Sharp commented that this was a difficult question, and one which applied particularly to facilities like in-town check-in. It was generally felt that the beneficiaries should pay; but all of the partners - including the passengers - were beneficiaries, and costs fell in different ways on different partners. Ensuring that costs matched benefits was difficult: people sometimes needed to recognise that there was an overall benefit which they were unable to access to remunerate their costs.

IATA's perspective on intermodality. Presentation from Martina Priebe, Director, Air Transport Action Group (ATAG), Genève

Martina gave a brief introduction to ATAG. This had grown from the recognition that infrastructure was a key problem for the aviation industry. A coalition had therefore been formed to promote infrastructure solutions, on the ground and in the air.

Distribution and access to airports were key points. Intermodality was not only an issue of over-arching importance but one which was growing in importance.

She agreed with Paul Ellis's comment - there is a need both for good hardware and good software.

She gave a vision statement of intermodality - a combination of different modes for a seamless experience. All air trips were intermodal, so intermodality was of fundamental importance to the aviation industry.

Aviation was unique in that growth was viewed as a worst case scenario: intermodality had a potentially important contribution to a solution by freeing up slots at congested airports.

We needed to recognise that there were many barriers to intermodality - not least legal, political and regulatory. She instanced the problem that intermodal ticketing (as used by a number of airlines at Charles de Gaulle with SNCF) had uncovered. It had required new bilateral agreements - not a problem which companies without experience could easily appreciate or solve. Therefore airlines needed to put in substantial help and assistance.

She showed the results of some research demonstrating that the break-even point (where rail was preferred to air) was where the rail journey took three hours. At that point, the rail market share can be up to 60%. This comment caused much debate on sources and definitions - was the three hours centre-to-centre or station-to-station, for example? The research had been conducted by a Dutch company, and looked at north east Europe. Other estimates of the break-even point ranged from 2 to 4 hours: clearly, this depends on geography and circumstances.

Martina stressed the need for win-win strategies: we need to trust and co-operate with others and support them because of the positive results for everyone - especially passengers.

She referred to a joint IATA/UIC study of intermodality currently under discussion. This would be valuable because it would prioritise the problems (baggage handling, distribution).

She thought that the important challenges were the move from bilateral co-operation to multi-lateral co-operation, and the need for organisations to co-operate while maintaining their distance on commercial and competitive issues. This was particularly a problem in those places where there was only one railway company.

She drew attention to IATA's partnership programme, leading to co-operation on issues like standards and payment systems. While good, it needed updating and input (including funding) from railways. IATA is setting up meetings to discuss this with individual players including railways. To facilitate partnerships, policies needed to be co-ordinated - possibly through something like IATA's Service Conferences. While these are EU-focused, the situation is similar in the US. Organisations needed to decide whether they needed to be involved individually or whether their trade associations (AEA, ATA) should handle their interests.

There was discussion on who was driving improvements forward - particularly on international distribution. The problem here was that organisations like national railways have plenty of problems close to home: these, rather than marketing to Japan and North America, tend to be a priority.

In-town check-in has benefits for all, and airlines especially need to be able to capture the benefits.

She concluded her presentation by showing the ATAG "Connections" video (with which IARO members had co-operated enthusiastically).

Discussion

The point was made that North America was different - particularly because of car dominance. Did this make a difference to the 3 hour break even point?

Angela Coleman (Delta) commented that it was expensive to rent a check-in desk downtown, and staff there tended to be less productive. A possible solution was for airlines to co-operate with each other - either as alliances (as was done at both Paddington and Victoria) or by using a ground handling agent.

She also said that they had intermodal ticketing through Charles de Gaulle but the problem was that bags could not be checked through. This, of course, was a problem which occurred with some air-to-air connections too, but was more difficult with air-to-rail.

We needed to learn from other peoples' mistakes - something a forum like this could facilitate.

Noel Eisenstat (Amtrak) said that in North America there were two groups of people looking into intermodality - planners, with very long timescales; and railways, mainly concerned with short term practical issues. This difference did not help the process.

Eric Stokhuyzen (KLM) said that they had a scheme whereby passengers with a KLM flight coupon had free travel on trains to and from Amsterdam Schiphol airport. Settlement - payment from KLM to NS - was on the basis of a continuous survey of passengers at the airport conducted by the airport authority: one of the questions concerned mode of travel to the airport.

The benefits of air rail links. Presentation from Maximilian Schmid, Regional Director, Swissair, Basel.

Introducing himself, Maximilian said that he had worked on the Flugzug project (which had given regular direct trains between Basle and Zürich Airport).

Swissair and SBB (Swiss Federal Railways) had a long-standing partnership. This had resulted in a number of air-rail products. These included

- Fly/Rail - the ability to check-in bags and receive a boarding card at a number of SBB stations.
- Fly/Baggage - the ability to check in bags at 120 SBB stations.
- Rail/Baggage - the ability to check bags from any airport anywhere to 120 SBB stations.

In all of these products, when bags were checked in there was normally a charge of 20 SFr for each item. However some airlines - notably Swissair - paid this for their preferred customers. The charge only covered operating costs, and not the costs of the equipment and space on trains: this was borne by the airports and SBB.

It was important to note that bags tended not to travel on the same train as the passenger: inbound passengers were given a time (publicised in the leaflet advertising the service) at which they could collect their bags from the station.

The Flugzug project was the latest product. It gave passengers a choice of 9 round trips a day between Basel and Zürich Airport station (by-passing Zürich Hbf in the interests of speed). Trains generally made about 5 stops on the way. They have flight numbers (in the SR9000 series) and are in the GDS. There are still 8 flights a day between Basel and Zürich.

A similar product was planned for Bern - Zürich airport; and others could follow.

They are planning for automatic check-in and perhaps a passenger lounge at Basel Hbf in the future.

With this service, bags do go on the same train as the passenger, and check-in time is 30 minutes before train departure (25 minutes, for first and business class passengers). This contrasts with the normal Fly/Rail and Fly/Baggage system, where bags have to be at the station considerably in advance of this.

The minimum connect time at Zürich Airport is the same (40 minutes) for both connecting air and rail passengers.

One problem is that aviation people are conditioned to abbreviating Basel to BSL (the airport) - and not ZDH (the station). While the two could be common-rated for charging purposes, this did not solve all of the integration problems.

He concluded by saying that Swissair were about to appoint someone with specific responsibility for the air rail interface.

Discussion

The flight time between Basel and Zürich was 30 - 40 minutes, compared with 70 minutes by train. This led to difficulties with distribution, because GDS screens prioritised shorter journeys. However the rail time was quality time: people could do more with their time than they could when travelling by air.

It was felt that the overall journey time was critical, not the point-to-point sector time.

Many Flugzug passengers came from big companies. 1200 - 1500 passengers used the service between Basel and the airport each month. This meant an average of 2 on each train, compared with about 25 on each flight - although the trains were used by other passengers too (for example, travel agents use them as part of their inclusive tours: Adtranz use them as an inter-office shuttle).

Maximilian concluded that there were some critical success factors for this kind of co-operation.

- It needed acceptance by airlines, passengers and airports.
- Synchronisation of waves of trains with waves of flights was needed. This had not yet been achieved with Flugzug, but it would be better with the June timetable change (which would give an hourly train service). Unfortunately the rail timetable change date was not the same as the air timetable date.
- Infrastructure (ticket office, lounge) was needed: this needed agreement on payment (which had not yet been achieved).
- The catchment area needed to be considered. Basel airport was more convenient than Basel Hbf for people living in Alsace and Südbaden.
- Aircraft scheduling was a factor. Some flights from Zürich (especially Crossair flights) required use of aircraft maintained at Basel: these needed to fly between the two cities anyway, and there was no point in flying them empty.
- Customs and security issues needed to be agreed.
- Distribution, promotion, marketing and investment needed to be done jointly.

BA's experiences of the benefits of air rail links. Presentation from Dr. Paul Ellis, General Manager, Airport Policy, BA, London Heathrow.

Paul started by explaining the reasons for airlines and railways working together. These included

- improved service and improved bottom line
- congestion and capacity issues
- integration
- the value of off-airport facilities and sales

He made the point that relationships needed to be continually renewed. He instanced Gatwick Express, with whom BA worked closely because of the Victoria in-town check-in, who had not consulted BA on the design of their new fleet of trains. Luggage accommodation on these was not as BA would have liked it.

Discussing new service improvements, he raised the possibility of a meeter and greeter lounge and a business centre at Paddington.

It was clear that in-town check-in was valued by the business community. 8%-10% of BA's Gatwick passengers use the Victoria check-in, including 25% of premium passengers. 25%-30% of Paddington check-in users are premium passengers: on one day, 27% of all Concorde passengers used it. There had been a 30% growth year-on-year. Their target was 600,000 passengers/year.

There were two key problems - awareness (which BAA were working on), and costs. Operational facilities like these could not bear the same rental as retail outlets - they made less profit! Station owners need to prioritise and bias rental charges towards operational activities (including ticket sales - part of the normal travel experience).

Congestion and capacity problems were good reasons for looking at air rail substitution, but these needed the right infrastructure and service - in particular, InterCity train services to airports.

Integration was clearly of benefit to passengers - he reiterated the point that, to passengers, it was one intermodal journey, and partners in the travel chain needed to look at it in the same way.

This led to the concept of off-airport facilities in the interests of the passenger and of creating or maintaining commercial advantage.

Discussion

The audience clearly appreciated the value of in-town check-in, and much regret was expressed that Swissair had recently pulled out of Paddington.

In response to a question about examples of integrated ticketing, Andrew Sharp listed the following.

- Amsterdam Schiphol, where passengers with flight coupons could use the national rail network free to get to and from the airport (a commercial arrangement between KLM and NS).
- A number of German airports where the same applied - but usually confined to local transport systems, and only with tickets from some airlines.
- Copenhagen - SAS sold tickets to internal destinations in Denmark through Copenhagen which were valid for domestic travel by any mode (rail, air, bus): the outward and return mode could be different.
- Stansted - Ryanair in particular sold Stansted Express tickets in flight. Reportedly they sold about half a million a year: at normal rates this would give them commission of around £500,000 a year.
- Gatwick: BA's check-in at Victoria made £1 million a year in commission on Gatwick Express tickets.
- Paris Charles de Gaulle: under the TGV'Air system, a number of airlines have through ticketing to up to 10 destinations in France and to Brussels.
- Frankfurt. From March, integrated air rail travel (including ticketing and checked baggage) would be available between Frankfurt and Stuttgart. Passengers flying to Stuttgart and interlining at Frankfurt would have a choice of mode.
- Heathrow. British Midland and (more recently) Emirates sell tickets to London rather than just Heathrow. These are two-coupon tickets: one is from origin to LHR and the second from LHR to QQP (Paddington station).

True integrated ticketing (as opposed to joint retailing) was rare, but progress was being made.

The Swiss Way. Presentation by Andreas Willich, Business Development Director Swiss Federal Railways, Bern

Andreas reviewed the co-operation between SBB and Swissair, and SBB's plans for improving the services to airports (Zürich, Genève, Basel and ultimately Milano Malpensa).

He considered that good joint publicity and marketing of through ticketing and check-in arrangements was essential.

Frequent services to Zürich and Genève airports had existed for a number of years: these were being steadily improved, both in quantity and quality. Recently, both local (S-Bahn) and long distance (Flugzug) services to Zürich airport had been enhanced. The airport was also served by new InterCity tilting and double deck trains.

Zürich airport station was one of the busiest on SBB, seeing 30,000 passengers a day. The figure was growing, but not as fast as the growth in air passengers. Market share was highest over middle distances - rail had a share of over 70% to places like Bern and Basel, whereas to the city of Zürich it was less than 40%. Overall the market share was 58%. It was noted that the same phenomenon could be seen at Manchester - market share was highest from places like York and Leeds: here too it was likely that numbers decreased with distance.

The latest improvement was the introduction of early-bird trains from Bern and St. Gallen to Zürich airport. Paul Ellis thought that this concept would be valuable transferred to the UK, with spare capacity for pre-peak trains to Gatwick in particular being available for air passengers and employees.

Many Swiss travel agents included the train fare to the airport in the price for journeys they arranged.

Andreas commented that the volume on Flugzug was not as good as they would like, but not as bad as Maximilian Schmid had implied. They were used a lot by non-air passengers.

He said that any air journey from Zürich would take a minimum of 3½ hours (access to the airport, check-in and boarding, the flight itself, and the journey to the final destination) - so he considered that 3½ to 4 hours was the real break-even time between air and rail.

Discussion

Andrew Sharp commented on the very low share of the market to Zürich airport held by taxis - 2%.

Andreas confirmed that seats on Flugzug were not reserved.

Our vision for the future - round-up session and conclusions. Andrew Sharp, Director General IARO, London

Andrew said that the amount of discussion - formal and informal - had showed the level of interest in the topic; and had fully demonstrated the value of this kind of forum. Unfortunately it had also meant that we were in danger of ending late - something we did not want to do!

He therefore gave a very short round-up and concluding presentation, expressing the hope that we could all stay in touch - ideally, of course, through membership of IARO. He then thanked delegates for their time and their contributions, and wished them a safe journey home.

Action points

Martina Priebe would

1. facilitate contacts between IARO and the right people within the EU
2. supply IARO with the title of the research on break-even journey times, for the information of delegates.

Andrew Sharp would

3. bring the mis-match of air and rail timetable dates to the attention of IATA and UIC
4. continue the liaison with Continental Airlines and Amtrak (and, with their assistance, develop it with New Jersey Transit and the Port Authority of New York and New Jersey), to ensure optimal operation of the new station at Newark International Airport
5. meet American Airlines to discuss issues of mutual interest which had emerged both here and at IARO's Washington conference last October
6. continue the discussions with Delta Airlines which had started in Atlanta, with a view to improving usage of public transport by passengers and employees and assisting with intermodal issues generally
7. follow up the contact made with KLM, and in particular meet Mrs. Suzanne Huisman-Schoenmakers, Product Manager European Business Class, who was unfortunately unable to attend
8. when Swissair had appointed someone with specific responsibility for the air rail interface, meet them to review future needs
9. arrange a follow-up seminar, probably in about a year's time
10. ensure wide dissemination of the report and conclusions of the seminar to appropriate decision makers.

Task Group reports are usually the topic of all or part of an IARO workshop.

Copies of the reports of the first (in Berlin in 1999) and second (Milan, 2000), are available price £250 (free to IARO members).

These workshops are very focused, dealing in detail with a restricted number of key issues, and complement the regular Air Rail Conferences. Workshops and conferences have been held as follows.

1994 - Paris

1996 - London (and Heathrow Express)

1997 - Oslo (and Airport Express Train)

1998 - Hong Kong (and Airport Express Line)

- Frankfurt (with the AIRail station and the Cargo Sprinter)

1999 - Berlin workshop (and the Schönefeld link)

- Copenhagen (and the Øresund Link)

2000 - Milan workshop (and Malpensa Express)

- Paris (and plans for CDG Express)

- Washington (and Baltimore-Washington International Airport)

2001 - Zürich airport: Air rail links - improving the partnership

- Madrid workshop (and its airport rail links)

- London Heathrow (and Heathrow Express)



Planned workshops and conferences

2001 - Sydney/Brisbane (and Airtrain Citylink)

- Railways serving airports - but not as their main job
(seminar: venue to be arranged)

2002 - Barcelona (and its airport railway)

- North America (Boston, Dallas or San Francisco)

- Kuala Lumpur (and Express Rail Link)

Details are available from IARO. Future plans are subject to change.