



22 September 2020

Key principles for transport of tomorrow

With this position paper, BusinessEurope sets out the guiding principles in relation to three initiatives under the current political cycle: Strategy for smart and sustainable mobility, legislative options to boost the production and supply of sustainable alternative fuels for the different transport modes,¹ and review of the Trans-European Network – Transport Regulation (TEN-T). For more background, please consult our strategy paper on the [priorities for the EU transport sector beyond 2019](#) and our [priority paper on zero- and low-emission mobility](#).

The transport sector needs very comprehensive and consistent policies which focus on the paradigm shift offered by the two megatrends – greening and digitalisation of transport systems. Transport infrastructure is evidently crucial to achieve zero- and low-emission solutions but it has to rest upon digital solutions and a barrier-free Single Market framework to fully deliver.

1. Green Deal

European businesses stand behind the EU's ambition of reaching net-zero greenhouse gas emissions (climate neutrality) by around mid-century and are investing heavily to ensure that all modes of transport contribute to achieving the goals of the European Green Deal. As Europe's transport sector is one of the hardest hit by the COVID-19 crisis, the recommendations from our 2019 priority paper are more relevant than ever.

BusinessEurope advises to

- Create more **demand-side measures** to use green materials, and zero- and low-emission transport technologies, while supporting technology- and fuel-neutral incentives. Examples include consumer purchase incentives (CPIs) and fleet renewal schemes for commercial road transport vehicles and aircrafts, as well as more focus on the infrastructure needed to charge and fuel zero- and low-emission vehicles (more details in the last section). If Member States also install reduced VAT rates on alternative transport modes, it is important to have quick and accurate information about this at EU level.
- Generate more **research, development and deployment funding** for transport modes to support ambitions in line with the European Green Deal climate objectives. All companies, especially SMEs, should be assisted to help them reach their climate ambitions.

¹ For example, sustainable aviation fuels (ReFuelEU Aviation) and low-carbon shipping fuels (FuelEU Maritime).



- **Change fuel taxation and support schemes benefitting low carbon fuels** at the EU and national levels. This would facilitate increased production volumes, give positive price signals to consumers and professional customers, encourage the use of low-carbon renewable fuels as well as other fuels with low net-carbon emissions. An example is Sustainable Aviation Fuels (SAF) that emit up to 80% less CO₂ but are currently still three times more expensive than regular kerosene. It is important to boost supply in Europe to close these price gaps. Existing exemptions for energy taxation should be carefully assessed, as removing them can lead to the relocation of shipping bunkering operations and refuelling by airlines right outside the EU borders. A tailored approach could be considered for these sectors.
- Further increase the efficiency of transport and logistics in order to **create a business environment where carbon-neutral transport solutions are the preferred choice**. In road transport, for instance, this could be achieved through harmonised solutions facilitating the cross-border use of high-capacity vehicle combinations, and by using automation and connectivity solutions in the transport and logistics chains.
- Create a dedicated **freight strategy**, covering the entire value chain. Transport modes serve different functions and are organised differently across the Single Market, and these different functions necessitate different decarbonisation paths as well as incentives for co-modality solutions. Such a strategy could also expand the function of transport corridors to become places that stimulate innovation in addition to their main function of increasing transport capacity.
- Immediately discuss any agreed EU legislation on CO₂ pricing for aviation, maritime or other transport modes with trading partners and other third countries through diplomacy and bilateral negotiations in order to **minimise negative impacts of regulatory overlaps** (e.g. between CORSIA and the EU ETS). Upscaling EU legislation to the plurilateral or multilateral level would be most effective for reducing global transport emissions and improve the global level-playing field.
- Take into account the **social and economic dimensions**, which requires that the transition to climate-neutrality must be well-managed.
- Ensure that all **EU legislation related to clean and connected mobility, access to market, access to profession and social aspects** is coherent, addresses the existing barriers in the Single Market, facilitates efficiency, supports the European Green Deal's ambitions and ensures sufficient social conditions.

2. Digital transformation and automation

Digitalisation and automated mobility will modernise transport and logistics services, offer vast opportunities, and are key for addressing many of the challenges it faces. Further integration of existing digital tools should be pursued and policies should encourage the development and barrier-free rollout of new and innovative technologies and business models, such as automated and connected mobility solutions or Mobility/Transport as a Service (MaaS/TaaS) in the Single Market. At the same time, automated vehicles have the potential of significantly changing our daily life: They will determine the future of road transport, reduce transport costs, improve road safety, increase mobility, and reduce environmental impacts. They will open the



door to new services and modes of transport, thus satisfying the growing demand for individual mobility and goods transport. Finally, they may help revolutionise urban planning.

BusinessEurope advises to

- Make use of the **data economy for solutions** regarding sustainable transport and mobility. For instance: Mobility as a service and shared logistics in an environment that facilitates co-modality.
- Incentivise **voluntary data sharing** through common European data spaces and clear governance mechanisms, while respecting intellectual property (IP), data privacy and security requirements. This should clarify existing law and overcome interoperability issues to enable a more vibrant data economy. The envisaged data spaces should not only provide a free give-and-take mechanism but monetisation schemes should also be available for those to take part that do not collect data in the first instance but wish to add worth to digitalisation of the economy on the whole through enabling the creation of a service provision from that data.
- Create a secure environment for **accessing vehicle data** by means of standardisation of data exchange, in order to limit security and privacy issues and stimulate trust between different parties.
- Facilitate **access of vehicle data** for start-ups and other small enterprises in order to encourage the digitalisation of SMEs.
- Encourage **public-private cooperation** enabling data exchange in a trusted environment for smart mobility, including mobility as a service and similar initiatives for logistics that contribute to an efficient, innovative and sustainable integration of transport networks.
- Establish **intelligent traffic management systems** as well as a continuous improvement of quality of real-time information and of new sustainable mobility services to reduce congestion and pollution in urban areas. Vehicle integrity and safety of vehicle occupants must be ensured as well.
- Create a true **digital Single Sky** where modern technologies and new digital solutions are deployed to ensure more efficient flying routes, which can save up to 10% CO₂ emissions from flights within Europe.
- Encourage policies supporting **information and integration of the different modes for passenger and goods transport as digital solutions** in the transport sector, which will allow companies to develop innovative business models and collaborative systems such as MaaS (Mobility as a Service) and TaaS (Transport as a Service) solutions.
- Review, adapt and harmonise all relevant regulations to create the right legal framework for deployment of automated and connected vehicles.

3. Transport infrastructure

Attention must also be on upgrading existing infrastructure which needs to be fit for future developments such as digitalisation and the shift to zero- and low-emission mobility.

The Trans-European Transport Network is proving to be of fundamental importance in terms of safety and economic and environmental sustainability. Moreover, it must be considered as



lifeline which must remain open, enabling the efficient transport of goods and passengers also during crises periods.

More than EUR 300 bn are still needed to complete the Core Network alone and additional investments will be required to complete the Comprehensive Network. Therefore, investments must be a priority, such as investments in the expansion of capacity on the railways and inland waterways, the upgrading of bridges and locks, intelligent traffic management systems and broadband mobile phone coverage along the transport routes as well as the provision of refuelling and recharging infrastructure.

The maintenance of deteriorating existing infrastructures, towards more sustainable and safe solutions, will also need adequate attention and targeted funding in the coming years.

BusinessEurope advises to

- Make use of the **strengths of the individual modes of transport** and potential of the Single Market in a climate-optimised interplay promoting the optimum mix of modes for transport operations with the aim of supporting efficiency in the sector and reducing carbon emissions.
- Ensure market uptake of latest vehicles technologies, including low- and zero emission vehicles, by **setting mandatory deployment targets for alternative fuels infrastructure in the TEN-T and beyond**, not just for light-duty vehicles but also for heavy-duty vehicles and buses and coaches are needed in order to foster a rapid shift to sustainable alternatives.
- Promote a **modern infrastructure for alternative fuels** by ensuring demand-driven investment. Incorporate a holistic supply chain approach including safety aspects, production, interoperability as well as the supply and demand side and also ensuring infrastructure compatibility with innovative vehicles, vessels and aircrafts.
- Foster the **synergies between Trans-European Networks** for Transport (TEN-T) and for Energy (TEN-E) where they serve for the sustainable transport objective and ensure that the relevant policies are in place.
- **Adapt infrastructure to future mobility needs** (i.e. connected and automated vehicles) by upgrading of inter-operable cross-border physical and digital infrastructure elements for sustainable connected and automated mobility and completing a high-speed rail network within the TEN-T core structure by 2030.
- **Upgrade the existing infrastructure** and enable its compliance with the existing EU regulations. Ensure sufficient parking and rest areas that are adapted to the needs of modern logistics in terms of capacity and safety, provide for a safe and secure environment for drivers and their cargo.
- Focus on the redrawing of the map of pre-identified TEN-T projects on the core net, which is bound to be one of the major issues during the coming negotiations of the revision. A **more flexible and less bureaucratic approach** to future revisions of the core network maps, including the projects, could speed up the finalization of various important infrastructure projects and the removal of bottlenecks.
- Centre **enforcement smarter and centralise decision making** as much as possible within Member States in order to avoid delays of infrastructure projects and allow for better coordination between different national authorities.



- Put a greater emphasis in TEN-T on both **short- and long-term co-modality and digital solutions** for the promotion of zero and low emission vehicles (road and rail) and vessels. For example, a European Transport Control System (ECTS) including board units for locomotives will help to increase significantly the capacities in the railways sector.
- Establish the **necessary funds** under the TEN-T and CEF regulations for the development of the European infrastructure, particularly for the completion of the Core Network. The cross-border projects and the multimodal nodes in strategic corridors that also facilitate the use of regional, national and surrounding infrastructure, should be supported. It is also necessary to implement a monitoring plan at European level for the **maintenance of infrastructure** with the support of appropriate funding.
- Verify that all revisions or new EU legislations put in place the right incentives to support increasing investment flows into greening of transport infrastructure. **Foster a reflection on private and public finances** with the involvement of more actors and encourage the use of Public Private Cooperation.
- Encourage initiatives such as **sustainable alternatives to traditional fossil transport** through legal or financial incentives in the TEN-T revision.
- With regard to the TEN-T policy in relation to international partners, **strive the best possible connection with TEN-T corridors** in terms of interoperability standards and coordination of cross-border investments.