

EU Emissions Trading System (ETS) cornerstone of EU climate policy

The debate of the EU Ministers for Environment has shown diverging views on a number of dossiers within the Fit for 55 legislative package. Notwithstanding different possible approaches, the Community of European Railway and Infrastructure Companies (CER) calls on all EU member states to bear in mind that the objective of the Climate Law is set in stone, and that the EU must achieve a 55% GHG reduction by 2030.

Regarding the concerns expressed by Ministers on the possible impact of a reinforced ETS on more vulnerable citizens, CER believes that the creation of a separate ETS for road transport fuels is unavoidable to internalise negative externalities with a concrete application of the polluter-pays principle and to incentivise passengers and logistics companies to use climate-friendly transport modes. At the same time, the Social Climate Fund will have to be used to support those who need it the most and invested in a way that promotes the access to low and zero-emission collective mobility services.

Earmarking of ETS revenues to sustainable mobility projects has not been touched upon. To this regard **CER Executive Director Alberto Mazzola** stated that *"the EU Council must show its commitment to EU climate objectives, and I expect that future positions of EU governments will converge on CER's calls to earmark at least 25% of ETS revenues from the transport sector and 25% of the Social Climate Fund to the development of low- and zero-emission public transport solutions, especially railways. This can be realised through a widening of the scope of the Modernisation Fund and of the Innovation Fund, or through a new funding vehicle"*.

The pillars of the CER position on Fit for 55:

- The **Emission Trading System** must be extended to maritime transport. The aviation sector must proceed swiftly to full auctioning under the ETS. A separate ETS for road fuels should also be introduced.
- At least 25% of the expected revenues from the new **ETS and the Social Climate Fund** should be allocated to the further development of the railway system and local public transport,
- Railways are leaders when it comes to e-mobility, as four out of five trains already run on electricity. Hence, the **Regulation on Alternative Fuels Infrastructure** should address decarbonisation of transport as a whole, promoting zero-emissions door-to-door mobility with railway stations as multimodal hubs.
- The update of the **Energy Taxation Directive** should allow Member States to set tax exemptions to rail freight, as long as cargo-only flights are exempted from energy taxation.
- An ambitious **Effort Sharing Regulation** (ESR) target at EU level must be complemented by interim GHG targets for 2030 and 2040. Both the ETS and ESR

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are needed to decarbonise transport in the medium term and deliver a 90% reduction in transport emissions by 2050.

Read more in our [full position paper](#) 'Making transport fit for 55' accessible on the CER website.

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About CER

The Community of European Railway and Infrastructure Companies (CER) brings together around 70 railway undertakings, their national associations as well as infrastructure managers and vehicle leasing companies. The membership is made up of long-established bodies, new entrants and both private and public enterprises, representing 73% of the rail network length, 76% of the rail freight business and about 92% of rail passenger operations in EU, EFTA and EU accession countries. CER represents the interests of its members towards EU policymakers and transport stakeholders, advocating rail as the backbone of a competitive and sustainable transport system in Europe. For more information, visit www.cer.be or follow us on Twitter [@CER_railways](#) or [LinkedIn](#).