



Reply to public consultation

Brussels, 25 September 2020

The revision of the Energy Taxation Directive

Accompanying statement in reply to the public consultation on the revision of the Energy Taxation Directive (ETD)

CER expects the revision of the ETD to:

1. End the mandatory energy tax exemptions for aviation and maritime shipping (ETD art. 14)
2. Keep the optional exemption for cleaner transport like rail i.e. make it obligatory (ETD art. 15).

CER reiterates that the ETD's existing mandatory energy tax exemptions for aviation and maritime shipping have a negative impact on the environment and on the level playing field with rail. They should be removed.

The optional tax exemption for energy products and electricity used for goods and passenger transport by rail, metro, tram and trolley bus should be maintained to allow incentivising the use of these environmentally friendly modes of transport. From 2023 at the latest, in case a member state chooses to continue exempting aviation or maritime shipping, it should be obliged to also exempt rail, a competing mode, from energy tax. This exemption call is even more justified when considering rail's positive performance related to external costs coverage that are outside the scope of the ETD.

Florence School of Regulation, Transport concluded in their recent Manifesto (<https://hdl.handle.net/1814/67591>) that closing ETD's existing loopholes will foster a level playing field between transport modes and hence help achieve EU Green Deal ambitions. The new taxation framework should improve the competitiveness of medium-distance (300 to 1000 km) passenger rail compared to aviation as a viable alternative for short-haul flights.

The EU needs a robust carbon price (through ETD or EU ETS avoiding double taxation) and implement the user-pays and polluter-pays principles. The ETD reform should help internalisation of external costs (e.g. Eurovignette Directive) and support freight transport modal shift over 300 km to more sustainable modes.

Finally the ETD should promote the use of renewable energies in transport. Given the electrification of transport any obstacles such as disproportionate charges on use of renewable energies should be removed.

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 membership is made up of long-established bodies, new entrants and both private and public enterprises, representing 71% 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 policy makers 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 [@CER_railways](https://twitter.com/CER_railways) on Twitter.

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