

## Decarbonisation of EU transport requires fair and transparent intermodal conditions

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For more than two decades, internalisation of external costs has been high on the agenda of European transport and environment policy but so far little progress has been achieved. Most recently re-confirmed in the EU Mobility Strategy, the “polluter-pays” and “user-pays” principles should be reflected in transport policy measures for all modes, including through carbon pricing and infrastructure charging mechanisms. Such a move in transport policy will incentivise the use of sustainable freight transport options by shippers, but also contribute to the renewal and retrofitting of fleets to achieve zero tailpipe emissions. Overall there are numerous [good reasons](#) to use revenues from smart and green pricing measures to help finance Europe’s economic recovery after COVID-19.

CER, ERFA and UIRR call on the European Commission to pursue a comprehensive and ambitious approach to internalisation of external costs in 2021 when it comes to the political negotiations on the revision of the Eurovignette Directive and upcoming legislative proposals on “Fit for 55 Package”.

The European rail freight and intermodal rail community outlines concrete messages to deliver the EU’s modal shift objectives introduced under the European Commission’s Sustainable and Smart Mobility Strategy.

### Rethinking transport charging and pricing

The current political debate on substantially reducing tolls for zero- and low-emission trucks under the Eurovignette Directive goes against the user-pays principle. Infrastructure wear and tear, noise, pollution, accidents – these are all external costs which even zero- and low-emission trucks cause. Reducing or even waiving tolls beyond accounting for lower CO<sub>2</sub> emissions could further hamper rail’s competitiveness versus road freight and lead to a reverse modal shift of up to 50% in the 2030-2050 period – contradicting the objective of the EU Mobility Strategy of increasing rail freight traffic. According to the European Commission almost half of the EU’s truck fleet will become low/zero emission by 2050 according to the current policies. The greening of the truck fleet should be incentivised through external cost charging schemes. The key principle of the Eurovignette Directive should be that zero- and low-emission trucks shall comply both with the user-pays principle (charging for infrastructure use – just like electric trains do via track access charges) and with the polluter-pays principle (in this case the remaining non-CO<sub>2</sub> external costs such as noise, air pollution, congestion, accidents, etc – corresponding to the two thirds of the total external costs), to avoid a reverse modal shift from rail to road.

Charging of zero/low emission trucks should, at least, be comparable with the charging for electric-powered trains. Charging should take into consideration the infrastructure wear and tear, external costs such as noise, air pollution and accidents beside the energy efficiency of the different transport modes. Moreover, as long as there is no level playing field in freight and passenger transport markets, rail should be compensated accordingly such as reduction of energy taxes or earmarking if the ETS revenues.

It is essential that European policy makers adopt a multimodal approach to charging, whereby the greenest possible choice of shippers is incentivised, rather than incentivising the greenest vehicle within a single mode of transport.

### **Reinforced approach in monitoring of the freight market**

The Commission should work with the Member States and other relevant authorities such as the European Environment Agency and Eurostat to compile and present reports regarding the progress made towards achieving a level regulatory playing field.

The Rail Market Monitoring Report (RMMS) should be used to keep track of the rail targets of the EU Sustainable and Smart Mobility Strategy. A reference metrics should be developed to assess environmental impact and progress by transport modes and technology which should ideally be annually updated to ensure transparency, data quality and compliance with the targets. Further improvement of rail track access charges reporting is required so as to ensure that there can be regular comparison between rail and road.

It will be equally essential to include a comparable tolling-related reporting of data regime within the Eurovignette Directive. Detailed tolling-related reporting as part of the Eurovignette Directive, joint with reporting from the RMMS, will allow policy makers to make informed decisions on possible competition distortion created through infrastructure charging strategies.

As long as a level playing field is not achieved between rail and road, this indicator could guide the authorities to allocate compensation for railways. Support could be in forms of grants to infrastructure managers to compensate reduction of track access charges but also other mechanisms, like subsidising innovation or compensation for cost related to ever changing norms and requirements.

### Issuing associations

**CER** – The Community of European Railway and Infrastructure Companies (CER) brings together more than 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](http://www.cer.be) or follow @CER\_railways on Twitter.

**ERFA** – ERFA is the European Association representing European private and independent railway companies. ERFA members share a commitment to work towards a non-discriminatory, competitive and innovative Single European Railway area.

**UIRR** – Founded in 1970, the International Union for Road-Rail Combined Transport represents the interests of European road-rail Combined Transport Operators and Transshipment Terminal Managers. Road-Rail Combined Transport (CT) is a system of freight forwarding which is based on efficiently and economically inserting electric rail into long-distance (road) transport chains through the use of intermodal loading units (ILU).