

MAKING THE EU FIT FOR THE FUTURE:
**What the German environmental associations want
from the European Green Deal**



TRANSPORT
**SUSTAINABLE AND
SMART MOBILITY**

The European Commission sees the European Green Deal (EGD), presented in December 2019, as a new growth strategy to help achieve the transition to a resource-efficient, competitive and sustainable economy. In the current Corona crisis, in addition to the already noticeable impacts of the combined climate and biodiversity crisis, the vulnerability of our economic, health and social model is becoming clearer than ever before. The political response must be to make our economic system more resilient. The pathway out of the combined health and economic crisis must remain within the planetary boundaries and must be guided by European and international solidarity. Although the EGD does not yet go far enough in many areas, it offers promising opportunities to help the European economy get back on its feet after the pandemic and at the same time to make the EU more resilient and sustainable.



SUSTAINABLE AND SMART MOBILITY



Transport is currently responsible for a quarter of the EU's greenhouse gas emissions, and the trend is rising. A comprehensive transport transition – that is, a mobility transition and an energy transition in the transport sector – is therefore needed in order to combat climate change, make the air cleaner and reduce the number of people killed and injured in the transport system to nil, in line with Vision Zero.

A STRATEGY FOR SUSTAINABLE AND SMART MOBILITY

In the **Strategy for Sustainable and Smart Mobility** planned for the 4th quarter of 2020, the future course for the transport sector must be determined by climate policy. For this to succeed, the signatory associations call for the following:

- ▶ The Strategy for Sustainable and Smart Mobility must provide a framework for allocating climate, environmental and health costs in the transport sector on the basis of the polluter-pays principle, and must set out ways of reducing motorised traffic as much as possible and shifting the remaining traffic to rail, waterways and other environmentally friendly transport modes.
- ▶ The Strategy must set out a clear and binding path towards full decarbonisation of the transport sector.
- ▶ The Strategy must aim to ensure that all European conurbations with more than 100,000 inhabitants develop a modern urban transport system (either a tram system or a modern [trolley-] bus system with dedicated lanes). In all infrastructure planning, priority must be given to bus and rail, cycling and walking.
- ▶ An important prerequisite for this is that climate-damaging subsidies, especially those for fossil fuels, are abolished. When the Energy Tax Directive is reviewed, current tax exemptions must be abolished, in particular those for paraffin and marine fuels, and tax must be levied at an appropriate level. Any loopholes must be closed.
- ▶ The inclusion of road transport in the existing EU Emissions Trading Scheme (ETS) should be opposed, as it would not have a significant effect on the transport sector while at the same time more effective regulations such as the CO₂ emission standard limits for new cars would come under pressure.
- ▶ The inclusion of shipping, on the other hand, taking all climate factors into account, can be a useful complement to other more far-reaching measures to reduce shipping traffic, to increase efficiency in the design and operation of ships and to develop alternative propulsion systems.
- ▶ The inclusion of aviation in the EU Emissions Trading Scheme has not yet had any climate impact due to the suspension of the pricing of international flights („stop-the-clock“), design flaws such as the free allocation of 85 percent of aviation allowances and the general shortcomings of the emissions trading scheme overall (too many allowances, too low prices). Fundamental reforms are therefore needed (free allocation must be stopped) together with the abolition of competition-distorting national regulations such as Article 11 (2) of the German Air Traffic Act.
- ▶ A rapid switch from fossil fuels to efficient and emission-free propulsion systems and the reduction of final energy and resource consumption are key prerequisites for achieving the climate policy goals. Priority should be given to the direct use of electricity.

SUSTAINABLE FUELS

The Strategy for Sustainable and Smart Mobility also aims to boost the production and supply of sustainable alternative fuels for the different transport modes. The Communication scheduled for the end of 2020 on „ReFuelEU Aviation“ will address sustainable aviation fuels and should lead to legislation. A legislative proposal on „FuelEU Maritime“ for corresponding measures for maritime transport is also due to be launched at the same time. The aim of both initiatives is to promote the production and supply of sustainable fuels for the various modes of transport for which direct use of electricity does not currently appear possible. The signatory associations call for:

- ▶ The ReFuelEU initiative gives the false impression that air traffic at the current scale can be decarbonised by switching to synthetic fuels. However, the production of e-fuels depends on the availability of enormous additional amounts of renewable energy and on as yet immature technologies such as carbon capture from the air. Overall, the availability of synthetic fuels will be extremely limited. Reducing flying together with modal shift must therefore be the primary and central plank of the decarbonisation strategy for aviation. Short haul flights should be phased out as soon as possible.
- ▶ A clear regulatory framework is needed to achieve climate neutrality for the long-haul air traffic that remains after reduction and modal shift. Binding targets and requirements must be set and incentives created to promote technological solutions, improved infrastructure, renewable and sustainably produced alternative fuels and efficient operations. However, decarbonisation alone is not enough. The so-called non-CO₂ impacts, such as the emission of nitrogen oxides, soot and water vapour from aircraft, must also be addressed.
- ▶ Green hydrogen and sustainably produced synthetic fuels could help reduce CO₂ emissions from aircraft and ships. At European level, a framework for the responsible, efficient and sustainable production of green hydrogen for use in aviation and shipping is needed. This requires the establishment of sustainability criteria for production as well as mandatory admixture quotas. Sustainable production must be clearly regulated - otherwise there is a considerable risk that the production of hydrogen or synthetic fuels will lead to significant additional emissions due to the enormous amount of energy required. It is imperative that the sustainability criteria are also applied to production in other countries in order to prevent the problems familiar from the export of oil and gas from occurring with the export of hydrogen as well.
- ▶ Hydrogen and e-Fuels (Power-to-x, PtX) should initially only be used as alternative fuels in aviation and shipping. In the future, the hydrogen fuel cell could possibly be used to a limited degree in heavy goods vehicles in conjunction with battery-electric propulsion systems, especially on long-distance routes. But the use of alternative liquid and gaseous fuels (PtX, biofuels) for passenger cars should be rejected, as they entail considerable inefficiency and ecological damage. In this area, the internal combustion engine has had its day.
- ▶ The environmental associations are opposed to the development of an infrastructure for liquefied natural gas (LNG) for ships and lorries. This is because the use of gas - whether fossil or renewable - continues to involve the release of methane (so-called „methane slip“), which can considerably worsen the climate footprint of the synthetic gas itself. Finally, the sustainably available volumes of biogenic waste and residual materials for the production of biogas are very limited, so there is increasing competition over them with other applications, such as their use as primary materials (e. g. in industry) or for combustion in combined heat and power (CHP) plants.

CO₂ EMISSIONS FROM MARITIME TRANSPORT

In February 2019, the European Commission adopted a proposal to revise the EU **monitoring, reporting and verification system (MRV) for maritime transport CO₂ emissions** (Regulation (EU) 2015/757) to bring it into line with the global data collection system for shipping fuel consumption established by the International Maritime Organisation (IMO). The European Parliament extended its scope and voted in favour of more extensive regulation of shipping, providing additionally for a significant increase in the efficiency of ships, the inclusion of elements of maritime transport in the European Emissions Trading Scheme (ETS) and a shore-side electricity obligation. The signatory associations expressly support the approach taken by the European Parliament and call for:

- ▶ Confirmation of the inclusion of maritime transport in the European Emissions Trading Scheme.
- ▶ An increase in the efficiency of ships by 40 percent by 2030 compared to the base year 2008.
- ▶ Mandatory installation and purchase of shore-side electricity during the entire berthing period in all European ports.
- ▶ An immediate ban on heavy fuel oil in all European waters.

CO₂ STANDARDS FOR CARS, LIGHT COMMERCIAL VEHICLES AND LORRIES

The European CO₂ regulations for passenger cars and light commercial vehicles are the key instrument for increasing the supply of low or zero emission vehicles on the EU market. The Commission has announced its intention to **revise and tighten CO₂ standards for cars and light commercial vehicles** by June 2021 in order to pave the way towards zero emission mobility from 2025 onwards. The Commission has also correctly recognised the need to consider banning the sale of petrol and diesel cars in the EU from a given date. The existing fuel consumption limits for lorries and the quota for zero-emission vehicles should also be raised again as part of the planned review and tightening of European climate targets. More ambitious CO₂ standards for passenger cars, light commercial vehicles and lorries will pressure manufacturers to develop innovations leading to more efficient and economical vehicles. The signatory associations call for:

- ▶ CO₂ targets and fuel economy data must in future be based on real-world vehicle emissions, and efficiency targets for electric cars must be introduced.
- ▶ On the basis of real-world measurements, a CO₂ fleet limit value of 35 to 40 grams per kilometre (g/km) by 2030 is needed to pave the way for a rapid switch to 100 percent emission-free new vehicles. The goal must be to have only emission-free new vehicles on the road by 2035 at the latest.
- ▶ The super-credits system should be abolished, and no replacement introduced.
- ▶ EU CO₂ standards must not be weakened by taking into account quotas for alternative fuels or by including road transport in the European Emissions Trading Scheme.
- ▶ A reduction in the fleet limit values for lorries of at least 45 percent by 2030 and an increase in the quota for zero-emission vehicles. At the same time, the previously unregulated vehicle categories between 7.5 and 16 tonnes must also be included and the scope of the regulations extended to include buses.

AIR POLLUTANT EMISSIONS FROM VEHICLES WITH INTERNAL COMBUSTION ENGINES

In the context of promoting sustainable and smart mobility, the EU Commission also intends to present a proposal for stricter **limits on air pollutant emissions from vehicles with internal combustion engines** in 2021. The associations call for:

- ▶ Stringent limits are needed, irrespective of the propulsion system (diesel, petrol or gas), which set out a clear path towards zero-emissions driving.
- ▶ In addition, there is a need for regulation of other substances harmful to human health and the environment released during the operation of vehicles.
- ▶ More transparency in licensing and more effective market surveillance are also needed.
- ▶ In addition, the conformity factor in the Real Driving Emissions (RDE) tests for cars, lorries and buses should be abolished.
- ▶ The limits must apply in all relevant driving situations and throughout the life of the vehicle. As part of this, regular exhaust emissions testing must also be improved in order to reliably identify high-emission vehicles.

INFRASTRUCTURE FOR ALTERNATIVE FUELS (AFID)

The European Commission has announced that it will review the **Alternative Fuels Infrastructure Directive (AFID)** next year. The Commission intends to make proposals this year already **to support the establishment of public charging stations and filling stations as part of the infrastructure for alternative fuels**. We call for:

- ▶ AFID should have a strong focus on developing charging infrastructure for battery electric vehicles (cars and lorries). The revision of the infrastructure directive should require each Member State to introduce binding targets for the charging infrastructure for electric cars to enable customers to charge without difficulty throughout the EU in future.
- ▶ Time-based tariffs for charging should be introduced in order to set incentives so that as little charging as possible takes place at the times of greatest electricity demand, while at the same time requiring minimal expansion or upgrading of power cables.
- ▶ The development of an overhead line network for heavy goods vehicles along the motorways of the European Core Network (TEN-T) would allow this highly efficient propulsion system to be used for road freight transport, including for cross-border traffic.
- ▶ A comprehensive hydrogen tank infrastructure for heavy goods vehicles should also be developed linking ports (shipping) and the core European transport network.
- ▶ All infrastructure targets for natural gas (CNG and LNG) should be dropped and not replaced. Natural gas is and will remain a fossil fuel, and its continued use is counterproductive for the decarbonisation of the transport sector. The supply of sustainably produced biomethane is very limited. Moreover, the use of biogas is much more efficient in other sectors such as electricity generation or heating. Investments in LPG infrastructure will lead to „stranded assets“ which would artificially prolong the use of fossil fuels for years to come.
- ▶ For shipping, shore-side electricity supply (using renewable electricity) and infrastructure for the storage of carbon-free fuels must be made compulsory in all relevant EU ports. The current obligation for LNG infrastructure in European ports should be abolished.

THE TRANS-EUROPEAN TRANSPORT NETWORK

The **Trans-European Transport Network (TEN-T)** is a European Commission policy aimed at developing a Europe-wide network of roads, railways, inland waterways, shipping lanes, ports, airports and intermodal facilities for combined transport (CT terminals). It consists of two levels of planning, the comprehensive network (covering all European regions, to be completed by 2050) and the core network (main links to be completed by 2030). The implementation of the TEN-T network is currently being delayed by multiple and complex approval procedures, particularly for cross-border sections. With the **Trans-European Transport Network Regulation** announced for this year, the EU aims to accelerate the completion of the TEN-T, reduce delays in infrastructure projects, facilitate the participation of private investors and clarify the rules for public consultation. The German environmental associations call for:

- ▶ The rail system, which is still very much aligned with national borders, urgently needs to be Europeanised and expanded in order to shift intra-European flights and road traffic to potentially climate-neutral railways.
- ▶ Cross-border rail projects should be given top priority in the implementation of TEN-T. Smaller cross-border projects should also be taken forward more urgently, and major projects that have already been started should be completed before European funds are made available for new major projects in the same Member States. From the outset, only electrified connections must be planned. Road infrastructure is more than sufficient in large parts of the EU and should therefore only be given very limited additional support.
- ▶ In order to speed up cross-border rail infrastructure projects and encourage cooperation between Member States, a single central contact point should be established in each Member State to streamline authorisation procedures.
- ▶ We oppose private investment in the rail network.
- ▶ The EU Commission must ensure that all infrastructure projects adhere strictly to the EU Strategic Environmental Assessment Directive. Even in Germany it is not applied properly.

INITIATIVES FOR THE ENHANCEMENT AND BETTER MANAGEMENT OF RAIL TRANSPORT CAPACITY

For 2021, the European Commission has announced **initiatives for the enhancement and better management of rail transport capacity**. 2021 will also be the European Year of Rail, as proposed by the Commission, and therefore an appropriate point at which to highlight the importance of rail for the EGD and to promote Europeanisation. The Year of Rail should not just be a marketing project, but should be fleshed out with concrete measures. The associations call for:

- ▶ Cross-border infrastructure projects must be taken forward.
- ▶ Booking tickets should be made simpler by requiring railway undertakings to share data. The aim must be multimodal „one-stop“ search and booking systems („Skyscanner“ for rail).
- ▶ Model projects for the (re-)commissioning of cross-border day and night trains (e.g. the Trans Europ Express) must be taken forward.
- ▶ A revision of taxation must be carried out to ensure true cost comparisons are possible between different modes of transport.

COMBINED TRANSPORT

A revised proposal for a directive on combined transport is also planned for 2021. The new proposal aims to make the directive an effective instrument for supporting multimodal freight transport by rail and sea, including short sea shipping. In addition, initiatives are foreseen from 2021 onwards for the enhancement and better **management of rail and inland waterway capacities**. The signatory associations call for:

- ▶ A co-ordinated European ports policy and increased use of Mediterranean ports should be used to shorten and obviate land transport routes across Europe. This requires a plan for the enhancement of European ports and their hinterland connections.
- ▶ There must be no further intervention in river landscapes, such as straightening or deepening.

REVISION OF THE EUROVIGNETTE DIRECTIVE

The **revision of the Eurovignette Directive** is based on the European Commission's 2017 amendment proposal. The proposal would extend the scope of the Directive to include not only heavy goods vehicles but also light commercial vehicles, i.e. the Directive would cover passenger cars, minibuses and vans as well as coaches and public service buses. The changeover to such a system would be key to achieving a breakthrough for zero-emission technologies, particularly in the road transport sector, because it would make the total cost of ownership more favourable. The signatory associations call for:

- ▶ Road tolls must be based on CO₂ emissions. This means that tolls must be differentiated according to CO₂ emissions and CO₂ must be applied as an external cost factor. This would provide a strong incentive for the switch to zero-emission propulsion systems, particularly for heavy goods vehicles.
- ▶ Conversely, there should be no general exemptions from tolls. In particular, national exemptions for gas-powered lorries (CNG/LNG) should not be possible, as their climate impact is suspect in the extreme.
- ▶ Simultaneously, the concept of time or distance-based car charges must be pursued, which from 2025 onwards could replace national toll schemes and enable new pan-European electronic toll systems, including congestion charging options.

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This paper is one of a series of position papers on selected key aspects of the Green Deal. For papers on other topics, please see our homepage www.dnr.de.

